

The NATIONAL UNDERWRITER



PERSONAL EFFECTS—

When away from home
are not always in such
responsible hands.

HERE ARE A FEW
of the
"ALL RISKS" FLOATERS
written by
LOYALTY GROUP

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FINE ARTS
GUN
JEWELRY
MISCELLANEOUS PROPERTY
MUSICAL INSTRUMENTS
NEON SIGNS
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PERSONAL EFFECTS
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Loyalty Group, through its Inland
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Commercial Casualty Insurance Company

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Southwestern Dept.
912 Commerce St.
Dallas, Texas

HOME OFFICE
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NEWARK, NEW JERSEY

Canadian Dept.
461 Bay St.
Toronto, Canada

Pacific Department
220 Bush St.
San Francisco, Calif.

BANISH WORRY—SELL "ALL RISKS" PROTECTION

THURSDAY, MAY 19, 1938

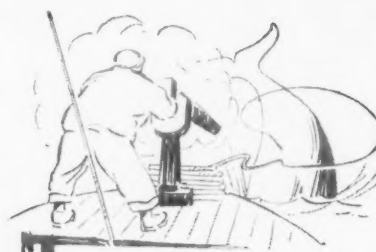


Farthest South

AMONGST the property insured by the Groups on the island of South Georgia, due East of Cape Horn in the Antarctic Ocean, is a theatre for the entertainment of whalers and sealers—the most southerly “movie” in the world. The big depot ships go to South Georgia; from these, smaller ships do the actual fishing, the processing being done on the depot ships and on the Island itself.

The financial resources, experience and organization of the Royal-Liverpool Groups extend to all four points of the compass, guaranteeing unexcelled service facilities which encircle the globe.

This is No. 9 of the series, “Round the World with the Royal-Liverpool Groups.” Also insured in the Groups is the most northerly “movie” in the world.



ROYAL LIVERPOOL GROUPS

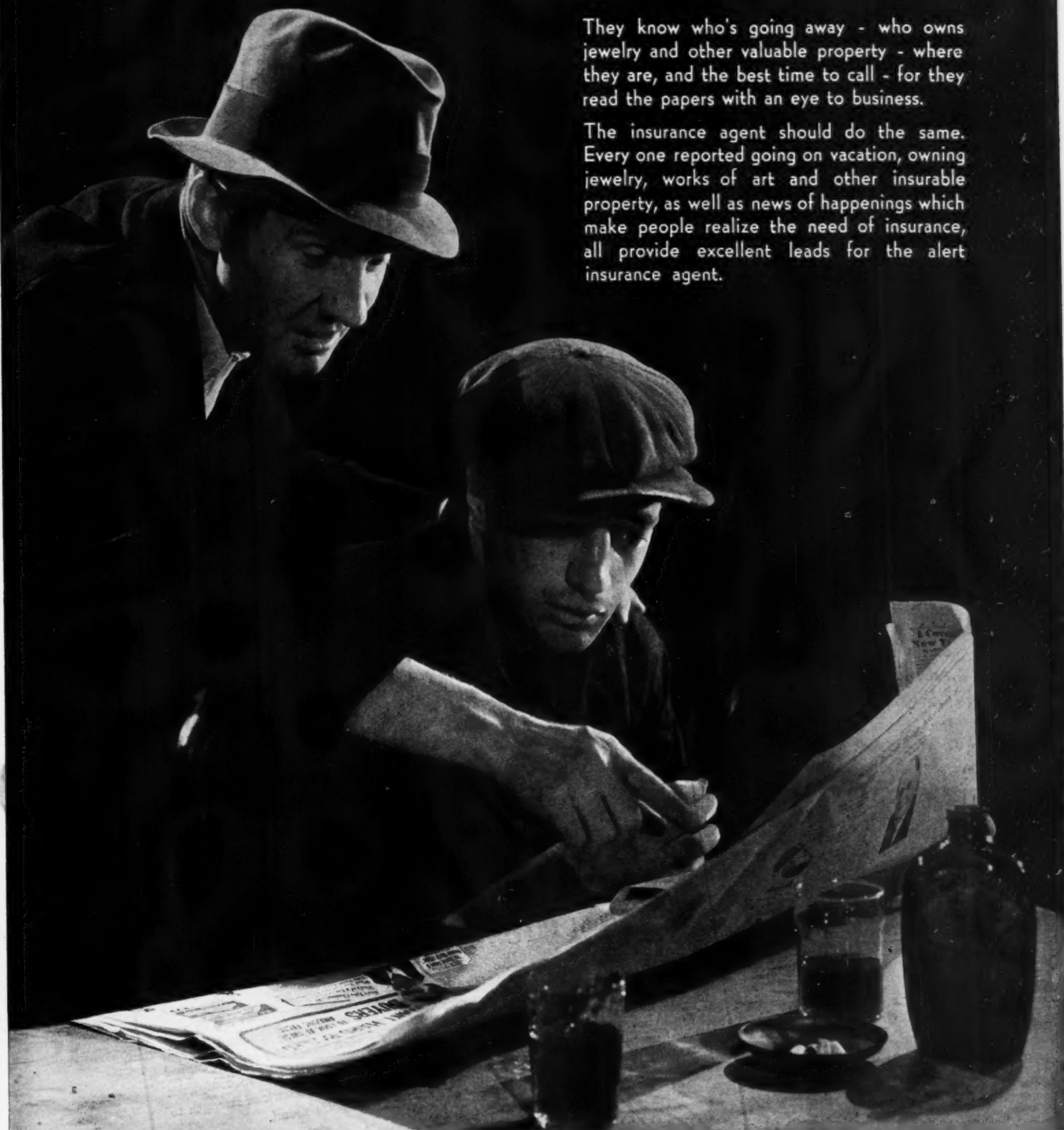
ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA
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BURGLARS SELECT THEIR PROSPECTS - DO YOU?

They know who's going away - who owns jewelry and other valuable property - where they are, and the best time to call - for they read the papers with an eye to business.

The insurance agent should do the same. Every one reported going on vacation, owning jewelry, works of art and other insurable property, as well as news of happenings which make people realize the need of insurance, all provide excellent leads for the alert insurance agent.



America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
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Eighty Maiden Lane,



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THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Fighting the Cause of the AMERICAN AGENCY SYSTEM

Aetna was one of the founders of the American Agency System and still believes it to be the most practical way of providing complete insurance service with complete financial security.

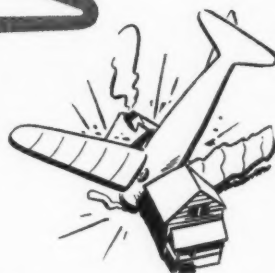
Aetna also believes that a better public understanding of insurance facts will lead to a better appreciation of the services rendered by agents and brokers of capitalized (stock) companies.

The accompanying advertisement—reprinted from the May 23rd issue of *Time*, the weekly news magazine—is one of a series fighting the cause of the American agency system.

You'll sleep better when you know—

What insurance you should have if you play golf, hunt, fish or ride horseback

It will take you only a few minutes to find out. Just ask the local agent or broker of any capitalized (stock) fire insurance company. He can tell you what policy best suits your individual needs.



Whether your present insurance policy protects your home against falling airplanes

Frankly, insurance policies are difficult to read. But an agent or broker of any capitalized (stock) company can quickly analyze your policies and make sure they are up-to-date. How much more satisfactory this is than buying insurance by mail or other remote contacts.



How to have your rent paid—in case of fire—while your home is being repaired

Many new and improved forms of insurance are available today. Many premium rates are lower, too. You can depend on agents and brokers of capitalized (stock) companies to look after your interests 365 days of the year.

Why 4 out of 5 People Insure Through Local Agents or Brokers of Capitalized (STOCK) Fire Insurance Companies

Agents and brokers who represent capitalized (stock) fire insurance companies offer you not only more complete service but also *more complete protection*. You can never be assessed. Your policy is backed up by a paid-in capital and surplus. Why is this important? Because in

some years insurance losses are so great as to wipe out years of accumulated surplus. At such times the paid-in capital that only capitalized (stock) companies have, serves as a bulwark of strength to keep their policies sound.



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FIRE GROUP HARTFORD
CONNECTICUT

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CHARLOTTE, N. C.

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The NATIONAL UNDERWRITER

Forty-second Year—No. 20

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 19, 1938

\$4.00 Per Year, 20 Cents a Copy

Proposes By-Laws Amendment On Examination Setup

**Pew of Iowa Gives Notice
of Submission at Quebec
Parley**

Commissioner Pew of Iowa announces that at the Quebec convention of the National Association of Insurance Commissioners he will submit an amendment to the by-laws that will give official standing to the present zone system of company examinations. The proposed amendment includes as well limitations on the qualification and per diem charges of examiners. He is giving the required 15 days' notice to members of the association.

The amendment provides that an examiner must be an actual legal resident of the state which appoints him. He may charge not to exceed \$15 per day while he is actually engaged in the examination, plus the actual cost of his sustenance not to exceed \$7 per day, plus necessary transportation expenses. Life insurance actuaries who have completed an actuarial course in a recognized institution, may charge not to exceed \$25 per day while engaged in the examination of a life company. All bills for services of examiners must get the written approval of the home state commissioner, except where the home state is not participating in the examination. In that event, the approval must be obtained of the chairman of the zone in which the home office of the company is located or the person he selects.

Zone Procedure

The amendment provides that the examinations committee shall make arrangements for convention examinations of insurers by representatives of two or more states at the request of the commissioner of the state in which the company is domiciled or at the request of three or more other members representing states in which the insurer is operating. The consent must first be obtained of the home state commissioner. If that commissioner declines to give consent, the examination shall not be conducted unless the committee is satisfied that the best interests of insurance supervision would be served.

The amendment disposes of the states into six zones. At the annual meeting the amendment provides that the members of each zone shall elect a chairman who shall become ex-officio a member of the examinations committee.

Calling an Examination

When a member desires to call a convention examination of a company domiciled in his state that is operating in more than one zone, he shall notify the chairman of the examinations committee. If the home state commissioner believes that all zones in which the company operates should not participate, the chairman of the examinations committee

(CONTINUED ON PAGE 16)

Program for Independent Adjusters' Rally Completed

**Program of Annual Meeting in
Indianapolis May 26-28 Cen-
tered on Bar-Adjuster Issue**

The completed program for the second annual convention of the National Association of Independent Adjusters at the Hotel Severin in Indianapolis May 26-28 has been announced by President L. A. Gouldman of Little Rock and W. H. Moore of Wichita, executive secretary-treasurer.

Mr. Moore is still confined to a Wichita hospital. He hopes to be able to attend the convention, but probably will not be able to resume his duties, nor return to his office in Wichita for some weeks.

The current issue of attorney vs. adjuster will be the central theme throughout the discussions and addresses. President Gouldman, J. L. Wilkey, Birmingham adjuster, and Attorney James Simpson of Birmingham attended the meeting in Washington with the unauthorized practice law committee of the American Bar Association and other interested groups in an effort to reach some settlement in the fight between lawyers and adjusters.

The program follows:

Thursday Morning, May 26

Address of Welcome, Robert Denton, president Indiana Association Independent Insurance Adjusters.

Response, O. H. Shade, Mitchell, S. D. President's Address, Lawrence A. Gouldman.

Report of Executive Secretary, W. H. Moore.

Standing Committee Reports: Executive, W. H. Moore, secretary; membership, Howard E. Kopf, Davenport, Ia.; relationship, J. P. McHale, Los Angeles; Grievance, C. E. DeWitt, Dallas; casualty and allied lines, J. N. Curley, Philadelphia; fire and allied lines, Julian Calhoun, Spartanburg, S. C.

Special Committee Reports: Constitutional amendments, A. M. Foley, South Bend, Ind.; revision of by-laws, J. L. Wilkey, Birmingham, Ala.; membership application form, Howard E. Kopf.

Afternoon

"The Bar, the Adjuster, the Law," C. W. Heyl, past president Illinois State Bar Association, past president Peoria Bar Association.

"Attorney vs. Adjuster," J. L. Wilkey, Birmingham, Ala.

"Is Adjusting the Practice of Law?" W. C. Searl, general counsel, Auto Owners Insurance Co., Lansing, Mich.

General discussion—limit of five minutes each speaker.

Friday, May 27

8:30 a. m.—Breakfast conferences.

Casualty and allied lines.

Fire and allied lines.

Morning Session, 10 a. m.

"What a Home Office Desires of an Independent Adjuster," D. R. Gallahue, president American States, Indianapolis.

"The Attorney Adjuster and the Lay Adjuster," Julian Calhoun, Spartanburg, S. C.

"What Is the Answer?" Howard E. Kopf, Davenport, Ia.

"Directories for the Independent," L. M. Kizer, Waco, Tex.

General discussion—limit of five minutes each speaker.

Atlanta Hotel Fire Tragedy Stirs Demand for Reforms

**Twenty-eight Die in Blaze—In-
surance on Building \$80,000—
Many Proposals Offered**

ATLANTA—The worst fire tragedy ever suffered in Atlanta, 28 identified dead, and the second major tragedy suffered in 18 months, three persons having lost their lives in the Cable Piano Company's building on Broad street, occurred here early Monday morning, sometime between 2 and 3 o'clock.

The burned building was known as the Terminal Hotel, situated on the corner opposite the Terminal Railroad station near the northwestern edge of the business section of the city. The building property is owned by one of the oldest and most prominent families in the city.

Distribution of Insurance

The building was valued at \$100,000 and was covered by insurance distributed in several agencies as follows: Cheves-Green Company, \$32,500 in American of Newark; Smith & Erwin agency, \$2,500 Southern Mutual; Spratlin-Harrington & Thomas, \$3,000 in Bankers & Shippers.

Dickey-Mangham agency had: Agricultural, \$10,000; New York Underwriters \$5,000, Springfield \$20,000, North America \$5,000.

In addition, Cheves-Green had a \$10,800 rents policy in Northwestern F. & M., and Dickey-Mangham had \$8,500 leasehold insurance in Home F. & M.

Insurance on contests could not be ascertained as the lessee had been taken to a hospital.

To Suggest Reforms

One of the supposed causes of the fire, which started in the basement, was that of overheated pipes in the kitchen ventilating system. The blaze shot up the elevator shaft accompanied with smoke, thus cutting off escape for many of the guests seeking the fire escapes. Considering the handicaps, the fire department did excellent work, as the alarm was sent in too late to handle the blaze. That is a common experience in connection with hotel fires.

Mayor Hartsfield announced that the matter of reforms would be brought before the city council this week as soon as the cause of the fire could be fixed.

(CONTINUED ON PAGE 18)

Afternoon

"Inland Marine," C. E. DeWitt, Dallas, Tex.

"What Is an Independent Adjuster and Why?" J. W. Burden, superintendent automobile and transportation department Hartford Fire, Chicago.

General Discussion, "Problems of the Independent Adjuster."

Limit of five minutes to each speaker.

6:30 p. m., banquet.

Saturday, May 28

Breakfast conference, executive committee.

New business.

Report of resolutions committee.

Report of nominating committee.

Election of officers.

Introduction of new president.

Adjournment.

W. I. B. Holds Annual Meeting At White Sulphur

**H. A. Clark Gives Historical,
Inspirational Presidential
Address**

NEW OFFICERS ELECTED

President and chairman—H. A. Clark, vice-president Firemen's.

Vice-president—E. E. Soenke, secretary Security of Davenport.

Treasurer—H. M. Giles, president Millers National.

Assistant treasurers—A. I. Bushnell, treasurer, and A. A. Krueger, secretary Millers National.

Secretary—Fred C. Schad.

WHITE SULPHUR SPRINGS —

The annual meeting of the Western Insurance Bureau here this week was featured by a scholarly sketch of the history of insurance by H. A. Clark of Chicago, vice-president and western manager of Firemen's, who is president and chairman of the bureau. Mr. Clark made two official appearances. In his report as chairman, he referred to the work that the directors have done in recent months and in his capacity as president, he gave the historical, inspirational address.

The meeting was exceptionally well attended, there being a number of eastern company officers and wives of members present.

The following committees were appointed: Press, H. A. Clark, Firemen's, and Charles D. James, Northwestern National; entertainment, W. E. Wollager, Concordia, and L. W. Brown, Firemen's; nominating, H. M. Giles, Millers National, F. J. Breen, Standard of Trenton, and Mr. Soenke. The address by President Clark was very warmly received and ordered printed in book form and distributed to bureau members and field men. Various other committee reports were presented at meeting and approved.

New Directors Elected

The following were elected as directors to serve for the ensuing year: H. A. Clark; F. J. Breen; L. W. Brown; H. M. Giles; J. C. Hiestand, Ohio Farmers; W. D. Reed, Northwestern National; E. E. Soenke; S. F. Weiser, Dubuque, and W. E. Wollager. The election of officers took place at a meeting of the directors.

The report of the Subscribers Committee was presented by Secretary R. D. Hobbs with E. E. Soenke as chairman of the meeting.

A meeting of the executive committee of the Western Sprinkled Risk Association with Chairman Clark presiding was held Wednesday, as well as the annual meeting of the association with President E. S. Inglis, Corroon & Reynolds, presiding.

At this meeting the report of Man-

(CONTINUED ON PAGE 16)

Farm Property Is Much Favored in the New Provisions

L. G. Warder, Associate Western Manager Hartford Fire, in Nebraska Talk

LINCOLN, NEB.—L. G. Warder of Chicago, associate manager of the Hartford Fire, spoke before the annual meeting of the Nebraska Association of Insurance Agents being held here this week on "Farm Insurance." He started his insurance career as a local agent writing farm property. Most of the



L. G. WARDER

agents in Nebraska except Lincoln and Omaha write farm insurance.

Mr. Warder said there is no other brand of property insurance which places upon the agent a greater responsibility or requires greater care in selection and underwriting than does farm insurance. Certain parts of Nebraska have suffered from drought during the last several years and as a result it is likely many farm buildings have not had the proper upkeep and repair. As a general rule, however, farm improvements have been substantially well maintained in these drought sections. Mr. Warder sees conditions have improved in the farm field.

Some Nebraska Statistics

According to the latest figures there are 129,458 farms in Nebraska with farm buildings being valued at \$446,500,000. There are over 141,000 farm owned automobiles and over 26,000 farm owned trucks in the state. There are over 50,000 farm owned tractors.

The insurance business, he said, feels the results of industrial activity or otherwise and those who reside in towns and cities writing commercial business realize that it is harder to get and to hold. The farm agents, however, are in a different position and have the opportunity not only to maintain the premium volume but to add to it. He said that if more stock company agents will try to make farm risks the backbone of their business, the periodic depressions will be less felt on a commission income. It takes salesmanship, Mr. Warder said, to write farm insurance. The agent must analyze the farmer's needs and make out an insurance program accordingly.

Mr. Warder discussed the more important features of the new farm property form adopted by stock companies. He said they provide a modernized and

(CONTINUED ON PAGE 18)

New Use and Occupancy Form Being Considered

Some Features Under Discussion for Western Underwriters Association Field

A radically different use and occupancy form is being considered in Western Underwriters Association territory. Some time will probably elapse before any action is announced. It is believed that the proposed form will base the amount of insurance on the assured's gross earnings, instead of on his net earnings, or profits plus fixed charges and expenses. A lower percentage of coinsurance than the usual 80 percent will probably be used. Chances of the new use and occupancy forms now in force in the east, southeast and Pacific Coast being adopted in the middle west appear remote at present. Under these new rules, per diem and 100 percent coinsurance forms have been abolished, the weekly and 80 percent coinsurance forms being the only ones allowed. New Jersey allows only the 80 percent contribution form.

Loss Ratio is Mounting

While many people regard use and occupancy as a bonanza for the companies, sentiment expressed by those close to the U. & O. situation is just the reverse. The loss ratio has been climbing steadily and the latest rate reductions will probably bring it up to the danger line. Rates have been reduced from seven to 10 percent in the jurisdictions which have adopted the new forms and rules. In the middle west, although the percentages of fire rates charged for U. & O. remain the same, about the same reduction has been effected by reductions in the fire basis rates. Consequently, insiders believe that use and occupancy will require careful underwriting and they expect that more than one company

Bombay, India, Agent on World Bicycle Trip

NEW YORK—Kaikee Kharas, an insurance agent of Bombay, India, is one of three Parsees now in this city, en route on a bicycle tour of the world. Leaving their home city five years ago, the cyclists have since visited 35 countries in five continents. After a month's stay here they plan continuing by easy stages to San Francisco, thence to the far east and home.

will come to grief on this line. Many companies, in the opinion of careful observers, are careless about U. & O. lines, accepting heavy U. & O. liability alone with a large property damage line at the same risk. Frequently they will accept a larger U. & O. line than direct damage insurance, although a number of recent losses have shown a greater business interruption loss than property damage loss.

Effect of Arkansas Reductions

LITTLE ROCK, ARK.—Little Rock fire premiums have been reduced 5 to 15 cents per \$100 under the recent rate reduction order by Commissioner J. Harrison, as shown by comparative schedules released by T. F. Baker, manager Arkansas Fire Prevention Bureau. On frame dwellings the reduction is 15 cents, brick veneer, 10 cents, and brick structures 5 cents.

Differential between houses with approved and unapproved roofs is unaffected by the rate reductions.

Reductions for the state as a whole ranged from none in Class 10 to 28.5 percent for frame houses with approved roofs in Class 4. Little Rock is in the fifth class with Fort Smith, Hot Springs and Pine Bluff. Texarkana is the only city in the state rated as low as Class 4.

Collision Losses Continue to Show Improvement

But Inquiries of Insurance Departments Are New Source of Embarrassment

Automobile collision losses are still on the decline. The improvement has been noted during the past several months. The situation is no longer as critical as it was up until the fall of 1937. On an earned premium and incurred loss basis so far this year, the experience is considerably better than for the parallel period last year, although on the premiums written and losses paid basis, the experience is worse because the volume of business under finance accounts has been on the toboggan. The reverse was true on an increasing volume of business; that is, a better showing was made on a written and paid basis than on an earned and incurred basis.

Several reasons that are adduced for the improvement seem plausible. Repossessions of cars by finance companies are running into the thousands in many cities, which means that those cars are in storage and are not causing nor suffering collision. Then again, due to the depression, owners are not driving their cars as extensively as they were in better times. The traveling of salesmen has been curtailed.

New Car Production Drops

The production of new cars is sharply below what it was a year ago, and it has been the new cars that have contributed most prominently to the collision cost. For one thing, a buyer of a new car is more likely to use the full speed potentiality of the car than is the driver of an older car.

Perhaps the attention that has been given to collision loss adjustments in the past year or so is producing results. Adjusters have been criticized and called on the carpet, and it may be that there has been improvement in the adjusting technique. Moreover, the adjusters have gained more experience as time has gone on. In the first year or two after finance companies began requiring the purchaser to carry collision insurance, the work of adjusting agencies skyrocketed and new adjusters had to be employed wholesale. The situation has now become stabilized and, as a matter of fact, hundreds of adjusters in the past few months have been thrown out of employment because of the decline in work.

Position of Auto Dealer

Perhaps there has been an improvement insofar as the automobile dealer is concerned. The finance companies, threatened with loss of insurance facilities, have been inclined to blame the automobile dealer to a large extent for the trouble. They say that the dealer has been conniving with the car purchaser and has padded estimates so as to overcome the deductible. It may be that the finance companies have checked some of these maneuvers.

Although the insurance companies are able to breathe easier these days, insofar as their experience is concerned, with the recent rate increase for collision contributing to their well being, they face some embarrassing situations with state supervising officials. Many states have issued moderate requirements in respect of the writing of automobile finance accounts in line with the recommendation of the National Association of Insurance Commissioners at its last meeting. Insurance Director

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THE WEEK IN INSURANCE

Annual meeting of the Western Insurance Bureau is being held this week at White Sulphur Springs, W. Va. **Page 3**

Commissioner Pew of Iowa announces that he will submit an amendment to the by-laws of the National Association of Insurance Commissioners governing examination of companies. **Page 3**

Program is announced for annual meeting of National Association of Independent Adjusters. **Page 3**

Atlanta hotel fire starts move for reform measures. **Page 3**

National Association of Insurance Commissioners announces program for its annual meeting. **Page 5**

Personnel of the general committee on arrangements for the meeting of the National Association of Insurance Commissioners at Quebec is announced. **Page 8**

Herman L. Ekern, former insurance commissioner of Wisconsin, has been appointed lieutenant governor of the state. **Page 10**

N. F. P. A. sponsors model state law to curb fireworks sales and use. **Page 5**

South Carolina agents elect J. H. Woodside president at annual meeting. **Page 5**

New use and occupancy form is being considered for Western Underwriters Association territory. **Page 4**

L. G. Warder speaks on farm insurance at the annual meeting of the Nebraska Association of Insurance Agents. **Page 4**

President Kemper of the Lumbermen's Mutual Casualty sees a decline in automobile accidents. **Page 34**

R. R. Chapman, heretofore Pacific coast manager, is transferred to the

head office of Corroon & Reynolds in charge of a portion of the middlewestern department; new manager at San Francisco is John P. Breeden. **Page 10**

George E. Allen resigns as commissioner of the District of Columbia to become vice-president and public relations counselor for the Home. **Page 8**

Program for the annual meeting of the New York State Association of Local Agents is announced. **Page 6**

Downturn in automobile collision losses leads underwriters to be optimistic of profitable experience on line before long. **Page 4**

Fire losses for the first four months are given by the National Board. **Page 5**

State health insurance proposal in New York would virtually kill A. & H. business, says Wellington Potter. **Page 29**

Bureau of Personal Accident & Health Underwriters held its meeting at Rye, N. Y., this week. **Page 25**

Experience of casualty companies in Florida last year is presented. **Page 28**

Program is announced for annual meeting of National Accident & Health Association in Cleveland June 2-3. **Page 25**

New York University announces that a national center for safety education will be established as part of its division of general education. **Page 27**

Program is announced for the Georgia Association of Insurance Agents. **Page 40**

The West Virginia Association of Insurance Agents is preparing for its annual meeting at Parkersburg. **Page 43**

National Automobile Underwriters Association will hold its annual meeting May 25. **Page 44**

Annual Meeting Program Is Given for Quebec Muster

Interesting Schedule for the National Association of Insurance Commissioners

The program for the annual meeting of the National Association of Insurance Commissioners at the Chateau Frontenac, Quebec, Can., June 15-17, has been announced from the office of Jess G. Read, Oklahoma commissioner, who is secretary. The program was arranged by Superintendent L. H. Pink of New York, chairman of the executive committee, working with Georges Lafrance, superintendent of insurance of Quebec, the host of the convention; James W. Simpson, superintendent-at-large of the Sun Life of Montreal, who is secretary of the general committee on arrangements, and R. Leighton Foster, general counsel Canadian Life Insurance Officers Association, and former Ontario commissioner. The program is as follows:

Wednesday Morning, June 15

Welcome address, E. L. Patenaude, lieutenant governor of the province of Quebec.

Address by host commissioner, Georges Lafrance, superintendent of insurance Quebec.

Response to welcome address, Frank N. Julian, superintendent of insurance Alabama.

Address, George A. Bowles, insurance commissioner Virginia, president National Association of Insurance Commissioners.

Address, Samuel L. Carpenter, Jr., insurance commissioner of California.

2 p. m., Committee meetings.

4:30 p. m., Garden party at Spencerwood, at home of the lieutenant governor of the province.

7 p. m., Get-together meeting, Georges Lafrance, host, followed by informal dance.

Thursday, June 16

Entire forenoon devoted to committee meetings.

(CONTINUED ON PAGE 21)

South Carolina Agents Take Up Mixed Agency Question

Defer Vote on Resolution Resulting From Dauwalter Talk—Woodside Is Reelected President

OFFICERS ELECTED

President—James H. Woodside, Greenville.

First vice-president—James M. Richardson, Hartsville.

Second vice-president—L. A. Grier, Spartanburg.

Executive committee—James M. Green, Orangeburg; Luke J. Wilburn, Union; C. F. Carter, Jr., Charleston; R. M. Kennedy, Jr., Camden; Thomas R. Miller, Florence; W. B. Dunlap, Rock Hill; William Goldsmith, Greenville (life member).

Other officers to be appointed.

Pro-stock arguments, declarations and a playlet, culminating in presentation of a resolution calling for an end to "mixed" agency members that will be voted on at the next annual convention, dominated the deliberations of the 40th annual meeting of the South Carolina Association of Insurance Agents at Rock Hill. The safe driver reward plan was opposed.

It adopted resolutions pledging the agents to work for two laws, an agency qualification statute and "fair legislation" giving the state greater regulatory control over casualty and automobile fire and theft rates. In addition the members decided to display greater interest in public affairs and to support able men for office. They specifically commended Manager Lloyd T. Wheeler of the Southeastern Underwriters Association for his work in behalf of agents and buyers; F. S. Dauwalter, director Business Development Office, and Payne H. Midyette of Tallahassee, Fla.

New Executive Committeemen

During the coming year the association, which reelected its officers but put "new blood" on the executive committee, will devote its best efforts to promoting strong local boards, through which, in cooperation with the field men, it will raise the standards and prestige of the agents and also work toward wider acceptance of the straight-stock agency plan. At present only six boards

(CONTINUED ON PAGE 21)

Fire Losses Shown for the Four Months

NEW YORK—Aggregate fire losses of the country in April, the National Board reports, were \$25,616,112, 11.8 percent below those for the preceding month, and 3.9 percent less than the record of April, 1937. The addition of the April figures swells the total losses for the first four months to \$108,816,043 as against \$109,707,740 for the like period of 1937, and \$113,604,068 in 1936. The comparative record is:

	1936	1937	1938
Jan.	\$27,723,930	\$25,069,895	\$27,676,337
Feb.	30,979,396	28,654,962	26,472,626
Mar.	29,177,407	29,319,029	29,050,968
Apr.	25,786,835	26,663,854	25,616,112

Total \$113,604,068 \$109,707,740 \$108,816,043

St. Paul Headquarters for National Convention Opened

ST. PAUL—Convention headquarters for the annual meeting of the National Association of Insurance Agents here in September were opened this week on the sixth floor of the Guardian building, with H. S. Matteson, secretary St. Paul Insurance Exchange, in charge.

The headquarters office is only a few doors from the exchange office. George Radcliffe of Cathcart & Maxfield has been named general chairman of the committee in charge of convention arrangements. Chairmen and members of the various committees will be announced within a few days, John P. McGee, president of the exchange, said.

It is possible that the Minnesota Association of Insurance Agents will decide to hold its annual meeting at the same time the national meeting is held. The executive committee of the state association will meet soon to decide this.

Invite Agents to Sit In

A number of New York State agents are expected to attend the regular quarterly directors meeting of the Excelsior at the home office in Syracuse May 23. President R. C. Hosmer extended an invitation to the Excelsior agents in New York State, many of whom will be going to Syracuse to attend the annual convention of the New York State Association of Local Agents, which opens at the Hotel Syracuse Monday afternoon.

J. G. L. Alexander, 47, Grand Rapids, Mich., local agent, died there from injuries suffered when he was thrown by a bucking horse.

N. F. P. A. Urges State Law to Kill Sale of Fireworks

Fire Marshals to Push Measure at Next Sessions of Legislatures

By R. B. MITCHELL

Elimination of deaths, injuries and destruction caused annually by fireworks is a step nearer as a result of action taken by the National Fire Protection Association at its annual meeting at Atlantic City last week. In an effort to provide effective control over the sale of fireworks, which the usual city ordinance cannot fully accomplish, the N. F. P. A. endorsed a model state fireworks law which was prepared by a special committee of the association's fire marshals' session with the concurrence of the committee on pyrotechnics and the committee on laws and ordinances.

This law would prohibit use of fireworks except in supervised public displays and would give the state fire marshal jurisdiction over such displays. Now that the law has been officially adopted by the N. F. P. A., the fire marshals will initiate a countrywide campaign for its adoption in the states which do not have laws controlling the sale and use of fireworks. Only four states—Iowa, Kentucky, Michigan and New Jersey—have state laws. It is hoped that the model fireworks law can be introduced into legislative sessions in at least 15 or 20 states next year. The experience of the four states having anti-fireworks laws indicates that such a statute can materially cut injuries and deaths.

Killed 20 Last Year

Fireworks caused 20 deaths last July 4th and more than seven thousand injuries. Many of these were due to buyers and sellers getting around local ordinances. The N. F. P. A. has been working for the last 20 years to reduce the national toll of deaths, injuries, and destruction and there are now about 400 local ordinances governing fireworks

(CONTINUED ON PAGE 14)

INSURANCE ADVERTISING MEN'S SPRING MEETING



RAY C. DREHER



W. J. TRAYNOR



HAROLD E. TAYLOR



FRANK S. ENNIS

The Insurance Advertising Conference holds its spring meeting in New York this week. There are a number of in-

surance advertising men on hand to participate. Ray C. Dreher, publicity manager for the Boston and Old Colony,

is vice-president of the conference.

Among the others taking a prominent part will be W. J. Traynor, North

British & Mercantile; Harold E. Taylor, American of Newark, and Frank S. Ennis, America Fore.



Reflection

Mirrored in the Agent is the Company. If it is dependable, his service will be dependable. If it is financially strong, that means sound protection for his client. If the reputation of the Company is above reproach, the reputation of the Agent will automatically increase in the client's estimation.

What do you reflect?



PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.

NEW YORK OFFICE: Central Fire Agency, Inc.
92 William Street, N. Y. C.

CHICAGO OFFICE: 209 West Jackson Boulevard

SAN FRANCISCO: Fire 425 Montgomery St.

OFFICES: Marine 222 Sansome St.



Program Announced for New York Convention

Local Agents Gathering at Syracuse Has Heavy Business Agenda

The completed program for the 56th annual meeting of the New York State Association of Local Agents to be held May 23-24 at the Hotel Syracuse, Syracuse, N. Y., has been announced. It is as follows:

Sunday, May 22

2 p. m. Meeting of directors State Association Service.
2:30 p. m. Meeting of executive committee and directors New York State Association of Local Agents, continuing throughout the afternoon and evening.

Monday Morning May 23

10 a. m. Local board conference, John D. Henderson, president Herkimer County Association of Local Agents, presiding.
12:30 p. m. Luncheon meeting, Rural Agents Committee.

Monday Afternoon

Invocation, Rev. Dr. R. F. Jenny, Park Central Presbyterian Church, Syracuse.
Greeting, Stuart F. Raleigh, president Syracuse Underwriters Exchange.
Response, R. M. L. Carson, Glens Falls, first vice-president.
Our State Association at Work, J. W. Rose, Buffalo, secretary-treasurer.
Our Contact With the National Association, Albert Dodge, Buffalo, national councillor.

A Washington Conference. The Birth, Aims and Purpose of the Small Business Men's Association, Charles H. Kaletzki, secretary Small Business Men's Association of Central New York.

3 p. m. Rural agents' program, devoted to addresses and discussions on questions of particular interest to agents in smaller cities and rural communities. Fred J. Marshall, East Aurora, chairman rural agents committee, presiding.

An Outline of Rural Agents' Problems, William H. Lucas, LeRoy, N. Y.
Developing New Premiums Through General Cover Form, Stanley W. Tebbetts, executive special agent, America Fore, New York City.

Possibilities of Extra Expense Cover—Should Extended Cover Be Available for Farm Risks? W. D. Wilson, Syracuse, chairman field men rural agents committee.

Other subjects for discussion:

County classifications—are they equitable?
Should loss experience be segregated by counties?

New Class D rates—uniform statewide.

Should inspection reports and diagrams be required on all Class D risks?

Would such requirement be likely to improve loss experience and justify reductions in Class D rates—if so, why?

The non-farming warranty.

A study of the farm form and how it might be revised and simplified.

Private garage rates, defective chimneys, improved roofs.

Benefits of fire prevention activities.

What about electrical warranty?

Any other subject suggested from the floor.

Commentator: LeRoy T. Brown, secretary America Fore. A summary of points brought out during discussion of rural agents' problems.

7 p. m. Opening dinner, music and entertainment.

Tuesday Morning, May 24

Life Begins at "Twenty-five," "Larry" Daw, manager Syracuse division New York Fire Insurance Rating Organization.

The Administration Report, John J. Roe, Jr., president, Patchogue, Long Island.

The Public Be Served, Charles F. Liscomb, Duluth, president National Association of Insurance Agents.

Insurance and Its Relation to Credit, Charles H. Wilson, president Buffalo Association of Fire Underwriters.

Compulsory Automobile Insurance, Compensation Benefits, Proposed Constitutional Amendment, Stewart F. Han-

cock, Syracuse, general counsel New York State Association.

Discussion Leader, Thomas A. Sharp, Rochester, chairman of committee for study of compulsory insurance.

12:30 p. m. Complimentary Luncheon, tendered by Excelsior Insurance Company to registered members and guests, Robert C. Hosmer, president, presiding.

Tuesday Afternoon

Programming Accident Prevention Activities. Discussion leader, Charles H. Tuke, Rochester, chairman street and highway safety committee.

Streamlining Agency Office Operations, Oscar Beling, New York City, superintendent agency system department Royal.

Public Relations—a Business Builder, William T. Lane, advertising agency, Syracuse.

Romance of Aviation Insurance, David C. Beebe, president United States Aviation Underwriters, New York City.

Convention discussions:

Committee reports.

Subjects from local board conference. Automobile rating—liability, property damage and collision.

Participating stock companies and their relation to "sound insurance at predetermined cost."

Business Development Office, "Facts and Comments."

Legislation—what has happened and what to expect.

Coercion of premiums by mortgagees, the O'Brien-Piper bill.

Amendment to educational law and its effect.

Is the customer always right?

Any other subject suggested from the floor.

Unfinished business.

Adoption of budget.

Report of committee on resolutions.

Report of nominating committee.

Election of officers and directors.

Tuesday Evening

6:30 p. m. Annual banquet, President John J. Roe, Jr., presiding.

Introduction of distinguished guests and state leaders.

Address, Louis H. Pink, superintendent of insurance of New York.

Address, Dr. Glenn Frank, former president University of Wisconsin.

Music and entertainment.

Wednesday, May 25

10 a. m. Annual meeting of stockholders State Association Service.

10:30 a. m. Meeting of new board of directors, State Association Service.

Meeting of new board of directors, New York State Association of Local Agents.

12 noon, Luncheon to new and retiring officers and directors.

Kansas Meetings Held

WICHITA—Zone 6 of the Kansas Business Development committee, headed by Agency Chairman Howard Fullington of D. J. & P. agency and George Freese, field chairman, St. Paul F. & M., had a meeting of the second series here.

Speakers were L. B. Brown of the Brown-Ginzler agency, Dwight Smith of Smith, Stone & Snyder, C. E. Bleckley of the Northern and Ray B. Duboc, president of Western of Ft. Scott. The farm program in the afternoon was addressed by E. H. Fikes, Home of New York, W. L. Gardner, National; Van B. Higbee, Hartford and Alex Case.

Kansas meetings were held last week at Kansas City, Topeka and Pittsburg and the Wichita meeting this week ends the second leg of the series in Kansas.

Plans for next season will be formed at a meeting to be held after July 1, according to H. O. McIntosh, Hanover, general chairman for Kansas.

Arrange for Quebec Trip

Arrangements for transportation from the east to the Quebec meeting of the National Association of Insurance Commissioners are being handled by Deputy Edward McLaughlin of the New York department. Additional cars are to be put on the regular night train out of New York, Monday, June 13, arriving via Montreal the next afternoon. Mr. McLaughlin is receiving reservations for this trip.

National Board Helps Agents

WHAT IS MEANT BY DEPENDABLE PROTECTION



AN insurance policy that is backed by only a minimum of quick assets cannot give you 100% protection against financial loss. CAPITAL STOCK COMPANY FIRE INSURANCE is recognized

WHAT IS MEANT BY INSURANCE THAT REMOVES ALL THE RISK



YOUR property may never be involved in a conflagration, an earthquake, or hurricane, yet you may suffer a loss at a time when the company carrying your insurance is required to meet heavy losses due to a conflagration or some other catastrophe in another part of the country.

When your policy is issued you feel assured that under it by the combination of capital surplus built up for policyholders in the great conflagrations in the type and the manner in which the confidence in their in-

WHAT IS MEANT BY SURPLUS TO POLICYHOLDERS

WHEN you insure your home, business, automobile and other property, you want to know that the company will be able to pay your claim should you suffer a loss. If your policy is issued by a CAPITAL STOCK FIRE INSURANCE

you have the added assurance of legal premium reserves but surplus is accumulated and held, to withstand abnormal losses.

enlarger your protection, and surplus. That is one is recognized as the most people choose the security to other types. We

Do you know the difference between CAPITAL STOCK COMPANY FIRE INSURANCE and other types

important that you know, for your home, business, automobile and other property are too important to be left to anything but the best insurance.

CAPITAL STOCK COMPANY FIRE INSURANCE gives you at a fixed known-in-advance cost. It backs up capital premium reserves but also with cash capital in good years to take care of excessive losses on scores of projects to prevent fire in this community. It operates through personal service to policyholders.

people choose CAPITAL STOCK COMPANY FIRE INSURANCE to protect their property by this insurance.

that it is possible to secure your property and should temporarily for you the rental value of your home? Ask for the Policy. No obligation.

CAPITAL STOCK FIRE INSURANCE REMOVES ALL THE RISK

YOU take out fire insurance for one purpose . . . to protect yourself against financial loss. Yet you are not completely protected if your policy is the type that fails to safeguard you in case the company suffers abnormal losses. Conflagrations are always apt to occur. No one can foresee them. They mean huge losses . . . losses that must be paid by someone.

If your policy is issued by a CAPITAL STOCK FIRE INSURANCE COMPANY, you are protected against having to pay any part of the losses except through your premium. Backed by cash capital and adequate surplus, at all times you receive 100% protection against financial loss.

That is why four out of five people choose CAPITAL STOCK COMPANY FIRE INSURANCE in preference to other types. That is the kind YOU should have. We'll be glad to confer with you about it.



AGENT'S NAME AND ADDRESS
AND TELEPHONE NUMBER

WHAT IS MEANT BY LOCAL INSURANCE AGENT



If your property should fall victim to fire, a dozen problems may confront you. What should you do first? With whom should you get in touch? How should you present your claim? That is when you'll be doubly glad you have a home-town Agent to turn for advice and assistance. For the home-town Agent is on the job not only to help you plan your insurance program wisely and economically but also to help you when disaster comes.

The Local Agency system is a basic feature of CAPITAL STOCK COMPANY FIRE INSURANCE. That is one reason why four out of five people choose capital stock company fire insurance in preference to other types.

Let us help you make certain you are properly and adequately protected against the hazards of fire, explosion, riot, windstorm, or whatever would endanger the use and occupancy of your home or business.



AGENT'S NAME AND ADDRESS
AND TELEPHONE NUMBER

The National Board is publishing a new series of advertisements designed to help agents. They explain capital stock fire insurance functions and how the system differs from other forms. The publicity commends the local agent as he serves his clients in protecting them against various hazards. Terms are explained such as "surplus to policyholders." Forms of insurance such as rental value are described. The National Board is offering these advertisements in three sizes with mats free by addressing it at 85 John Street, New York.



DO YOU KNOW THIS MAN?

Agents of the Ohio Farmers know the "Old Man on the Fence" as the symbol of a company whose outstanding characteristic is its intimate association with its agents — an association which not only makes company representation more pleasant but more profitable as well.

Are you acquainted with this fine, old American company? If not, we hope we

can find a way to add you to our long list of friends — or possibly even to our Ohio Farmers "family." Hundreds of agents think of the Ohio Farmers as an integral part of their office — inseparable and indispensable.

Why not take the initiative and drop us a line? We assure you it will be most welcome.

**OHIO FARMERS
INSURANCE COMPANY**

Chartered 1848

LEROY, OHIO

Quebec General Committee for Commissioners Muster

Personnel of the Group in Charge of Arrangements Is Selected

The personnel of the general committee on arrangements for the National Association of Insurance Commissioners convention to be held in the Chateau Frontenac, Quebec City, Canada, June 15-17, has now been announced as follows:

Chairman, Arthur B. Wood, president and managing director Sun Life of Montreal; associate chairman Alphonse Raymond, president La Prevoyance Cie D'Assurances, Montreal; W. E. Baldwin, manager Continental of New York, Montreal; H. Begg, president Shaw & Begg, Toronto; J. A. Blondeau, vice-president and directeur gerant Assurance du Canada Contre l'Incendie, Montreal; Dr. H. Cypriot president Alliance Nationale, Montreal; Albert Demers, president Cie d'Assurance Sterling du Canada, Quebec City; L. N. Ducharme, president and gerant general La Sauvegarde Cie d'Assurance Vie, Montreal; A. P. Earle, president and general manager Montreal Life, Montreal; John Holroyde, manager Commercial Union, of London, Montreal; John Jenkins, general manager for Canada, Employers Liability, Montreal; J. K. Leonard, president Industrial Life, Quebec City; A. N. Mitchell, vice-president and general manager Canada Life, Toronto; A. Samoisette, gerant general du Canada, Compagnie Francaise du Phenix Contre l'Incendie, Montreal; R. Foster Smith, general manager Royal, Montreal; executive secretary, James W. Simpson, superintendent-at-large Sun Life of Canada.

Quebec Has Wide Appeal

Plenty of time will be allowed on the program for various business and committee meetings which will not be interfered with by the entertainment schedule.

Quebec has a wide appeal as a convention city, being situated on the cliffs overlooking the St. Lawrence river. It is the oldest city in North America. The remains of the walls surrounding it are well preserved. The special trip up the Saguenay, arranged for Saturday morning, June 18, will no doubt be popular with convention delegates.

In keeping with the resolution passed in New York City at the meeting last December, a \$10 registration fee will prevail for all attending the convention, excepting the insurance commissioners, insurance departmental personnel and their wives.

Reservations at the hotel and for the Saguenay trip should be made either direct to the Chateau Frontenac, Quebec, or to the Canada Steamship Lines, Montreal, respectively, or through James W. Simpson, Sun Life of Canada, Montreal, executive secretary of the general committee on convention arrangements.

Farmers Mutual Agents Busy

Agents of the Farmers Mutual Reinsurance of Chicago, which is allied with the Illinois Agricultural Association in its various activities, have been busily engaged in rewriting policyholders owing to the change in basis. Heretofore the company has written a continuous policy, charging a rate on which no dividend was paid. Now it is earning the same as the regular mutuals. Competitive rates are still being quoted for wind-storm insurance. Heretofore the company did not require a new policy to be written at expiration, the old contract continuing. Now this has to be done. The rates on the new basis are about twice as high as they were and the agents, therefore, are earning more commission. It operates only in Illinois.

D. of C. Commissioner Joins Home as Vice-president

G. E. Allen to Be Public Relations Counselor of New York Company

A joint announcement has been made by President Roosevelt and President H. V. Smith of the Home that George E. Allen has resigned as commissioner of the District of Columbia to join the Home as vice-president and public relations counselor. Mr. Allen, for the past five years, has been one of the heads of the district government. When he was appointed district commissioner in 1933,



GEORGE E. ALLEN

he was the youngest man ever to hold that position.

He was born in Booneville, Miss., was educated in law at Cumberland University of Tennessee, was admitted to the bar at the age of 21. After service in the war, he was an executive in several private corporations and was drafted by President Roosevelt to serve as commissioner of the district. He has made an excellent record in public office. He has served as WPA administrator for the District of Columbia since its inception.

In Many Activities

Mr. Allen was appointed by President Roosevelt as chairman of the birthday ball celebration for Washington, D. C. in 1937. This year he was appointed by the President as executive director in charge of organization throughout the nation for the 1938 birthday ball celebration. He is vice-president and trustee of the National Foundation for Fighting Infantile Paralysis, and chairman of the President's committee cooperating with the Boy Scouts.

Mr. Allen was director of the Louisville Convention & Publicity League from 1919-1921 and later was with the West Baden Springs Hotel at West Baden, Ind.

"What people think," President Smith stated in connection with the appointment, "undoubtedly controls the destiny of any business. Among the major industries of America, insurance and its institutions are perhaps the least understood. The desirability of obtaining correct public relations by an organization or industry providing such wide public service is of vital importance to its future."

R. I. Changes Standard Policy

Commissioner Cummings of Rhode Island has called to the attention of companies the fact that the legislature has amended the standard fire policy of that state. Under the amendment, if the appraisers handling a fire loss on which there is disagreement fail to agree on an umpire within 30 days, the insurance commissioner may select the umpire.

Pertinent Safety Problems Before Midwest Conference

Fire Prevention, Industrial Safety and Control of Occupational Diseases Discussed

Prominent fire prevention executives, industrial engineers, safety supervisors and insurance men are taking part in the 16th annual Midwest Safety Conference being held in Chicago. The three day session, devoted to all problems concerning public safety, is under the auspices of the Greater Chicago Safety Council, Illinois Industrial Commission, Institute of Traffic Engineers, Keep Chicago Safe Committee and other co-operating agencies.

The fire prevention section which drew one of the largest attendances, was presided over by R. E. Vernor, manager fire prevention department Western Actuarial Bureau, Chicago. Benjamin Richards, manager Underwriters Service, Chicago, and chairman manufacturing hazards committee National Fire Protection Association, discussed "Studying Plant Processes to Prevent Fires." Mr. Richards gave an analysis of the processes in manufacturing plants which are regarded as inherent fire risks. The fundamentals of fire safety, he said, are covered by four main items: construction, exposure, occupancy and protection. To this he also added the human element, as irresponsibility and lack of respect for human rights may nullify the other fundamentals however well they may be safeguarded. "Our big problem, he said, 'is human engineering.'"

Common Industrial Hazards

Presenting some of the fire hazards in common industrial processes, Mr. Richards stated that manufacturing areas should be separated not only from storage areas but should be sub-divided to isolate hazardous work so far as possible. If isolation is impossible, the fire protection engineer must use his skill to place all possible fires under immediate control.

"Fire Hazards of Air Conditioning" was discussed by Sidney V. James of the Underwriters Laboratories, Chicago. The general adoption of these systems in all types of buildings has been responsible for many serious fire problems which should be carefully studied and necessary preventive control measures established, he said. Mr. James illustrated his talk by means of slides. Actual fires were cited occurring as a result of improper air duct linings, filtering equipment and blower systems.

Program for Industry

Fred Merritt, supervisor of fire and watch International Harvester Company, Chicago, spoke on "A Fire Prevention Program for Industry." He stressed more efficient organization of plant personnel, need for frequent inspections and selection, care and maintenance of first aid fire extinguisher equipment. Mr. Merritt has supervision of prevention activities in 16 company plants in this country and Canada. All subjects were followed by a discussion period.

Mr. Vernor and J. Burr Taylor, special representative of the Western Actuarial Bureau, presented a fire prevention novelty at the conclusion of the session at which more than 250 attended. Industrial safety engineering, safety education and enforcement, occupational disease hazards, and commercial vehicle safety problems are being discussed at other sessions.

Insurance Problems in Austria

The change in the status of Austria has created quite a problem for the Austrian companies. These institutions on March 23 changed over to keeping their accounts in reichmarks, but the payments continue to be made in Austrian

schillings. Temporarily the previous clearing rates of exchange will apply. Otherwise there would be underinsurance in classes other than life. It will take some time before the insurance liability can be converted into German currency, although the premium receipts for May will be made out in reichmarks.

The conversion will take longer in life insurance owing to the fact that there are not only insurance in schillings but also in gold schillings and a substantial number of risks in foreign currency. It is said that the management of the Austrian companies will be continued un-

changed except for a certain amount of "aryanizing" of managements.

Talks on Fire Prevention

LOUISVILLE—J. L. Thompson, Kentucky Actuarial Bureau, spoke on fire prevention and protection at a meeting of the Engineers & Architects Club.

Honor Honolulu Executive

NEW YORK—Ralph E. Clark, vice-president of the Home of Hawaii, now visiting in this city, was luncheon guest

of F. J. O'Neill, president Royal Indemnity, at the head office of the company. Harold Warner, United States manager of the Royal-Liverpool group, and various officials and department heads of the Royal Indemnity, which company Mr. Clark represents in Honolulu, attended.

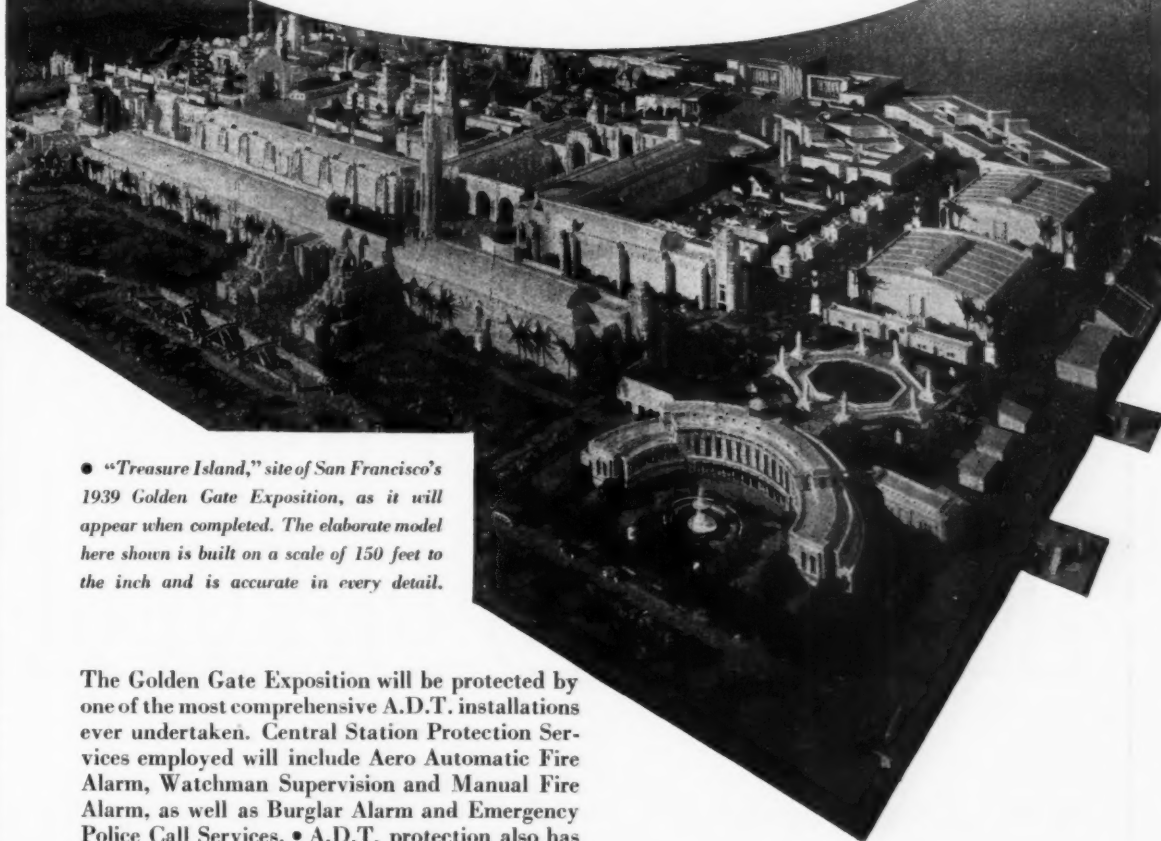
H. A. Titcomb, 63, an adjuster for the assured in St. Paul and Minneapolis, died in St. Paul.

Monroe Underwriters, Monroe, Mich., is incorporated by R. B. Kreiselmeier, F. L. Hayes and Margaret Steckmeyer, who have operated the General Underwriters Agency there.

PROTECTING A \$50,000,000 INVESTMENT

The 1939 Golden Gate Exposition in San Francisco, representing an investment of \$50,000,000 in public buildings and other construction, presented a serious and complex problem in fire protection. After thorough consideration of methods available for meeting the fire hazard, officials of the Exposition, in consultation with representatives of the insurance underwriters, awarded the contract for fire protection signaling systems to A.D.T.

In determining on A.D.T. protection, the Fair officials were influenced by the performance records of A.D.T. protection at other important expositions held in recent years, including "A Century of Progress" at Chicago, the Texas Centennial Exposition at Dallas, and the Great Lakes Exposition at Cleveland, all of which were protected by A.D.T. At none of these expositions did any fire result in more than trivial loss.



• "Treasure Island," site of San Francisco's 1939 Golden Gate Exposition, as it will appear when completed. The elaborate model here shown is built on a scale of 150 feet to the inch and is accurate in every detail.

The Golden Gate Exposition will be protected by one of the most comprehensive A.D.T. installations ever undertaken. Central Station Protection Services employed will include Aero Automatic Fire Alarm, Watchman Supervision and Manual Fire Alarm, as well as Burglar Alarm and Emergency Police Call Services. • A.D.T. protection also has been specified by many of the private exhibitors.

Controlled Companies of **AMERICAN DISTRICT TELEGRAPH COMPANY**
135 Sixth Avenue, New York, N. Y. Central Station Offices in all Principal Cities.

A.D.T.

Electric Protection Services
AGAINST FIRE · BURGLARY · HOLDUP
A NATION-WIDE ORGANIZATION

Shift Corroon & Reynolds Coast Head to New York

R. R. Chapman Becomes Secretary in Charge of Mid-West Division

R. R. Chapman, Pacific coast manager of the Corroon & Reynolds companies, is being transferred from San Francisco



R. R. CHAPMAN

to the New York head office. The new coast manager is John P. Breeden.

The present western department of the companies, which consists of 19 states and which is under the supervision of Secretary Donald E. Chilcote, is being divided into two sections in order

that the business may be more closely cultivated and more aggressively developed.

Mr. Chapman is to be secretary in charge of Iowa, Nebraska, Minnesota, Wisconsin, North and South Dakota, Wyoming, Colorado, and New Mexico. He is familiar with conditions in each of these states and has traveled in all of them except New Mexico.

Mr. Chapman has had a long experience, both in field work and at the home office. At one time he traveled for Glens Falls in the Rocky Mountain field with headquarters at Denver, and later was transferred to Minnesota and Wisconsin. After leaving Glens Falls he went with North British & Mercantile in Minnesota and Wisconsin, and from there was transferred to the home office as assistant general agent of the western department.

In 1928 he left North British to become resident general agent for Corroon & Reynolds in Chicago for a number of the middle-western states, and was later made Cook county manager. In 1933 he was transferred from Chicago to San Francisco to become Coast manager.

Mr. Chilcote's field now consists of: Illinois, Ohio, Michigan, Indiana, Kentucky, Tennessee, Missouri, Kansas, Oklahoma and Arkansas.

The middle-western divisions of Corroon & Reynolds will have strong direction and supervision.

Mr. Chilcote was born in Chicago and was transferred last year from Kansas City as manager to the home office. He is one of the outstanding business producers of the organization.

A. J. Arleth, general agent of the western department, will continue as assistant to Mr. Chilcote, and by reason of his thorough acquaintance with underwriting conditions in the middle-west will for the time being also give some assistance to Mr. Chapman.

State Senator McMillan Lewis of St. Louis, a broker with W. H. Markham & Co., has again filed for the Democratic nomination.

Ekern Lieutenant-Governor of Wisconsin, Well Known

Former Insurance Commissioner and Attorney General Is Named by LaFollette

MADISON, WIS.—Governor LaFollette has appointed Herman L. Ekern, former state insurance commissioner and former attorney general and a close friend of the late Senator Robert M. LaFollette, Sr., as lieutenant governor. The governor referred to Mr. Ekern's "long and distinguished record" in public life. Mr. Ekern is the senior member of the law firm of Ekern & Meyers of Chicago. He succeeds Henry Gunderson, who became state tax commissioner in November. Mr. Ekern has maintained his official residence in Madison. He is president and counsel of the Lutheran Brotherhood of Minneapolis, the well known fraternal. Mr. Ekern has not been active in politics since he served as chairman of the Republican state central committee in 1932.

He is a graduate of the University of Wisconsin law school. He was born in Trempealeau county, Wis., Dec. 27, 1872. He became district attorney for that county, being elected in 1895, while he was practicing law in Whitehall. He became aligned with the LaFollette progressive forces and was elected to the assembly in 1903, serving for three sessions. He presided over the 1908 legislature as speaker. Retiring from the legislature he became deputy commissioner of insurance in 1909, and was made commissioner in 1910. The office was made appointive a year later and Mr. Ekern was selected for a four year term.

He is very active in fraternal circles and has a wide acquaintance among insurance men.

Another Decision Upholds Penny Receipt Cancellation

Another decision has been handed down by a New York court, upholding the sufficiency of cancellation notice sent by ordinary mail rather than by registered letter. In the latest case, Justice Johnson in Brooklyn municipal court held for the Home and against Mrs. Ella L. Stevenson, owner of the premises at 344 Decatur street, Brooklyn, which was attacked by fire Nov. 9, 1935.

The Home denied liability in connection with one of its policies on the ground that a notice of cancellation for non-payment of premium had been mailed to the insured at her address with a penny postoffice receipt form.

Mrs. Stevenson denied that she had received the letter. On cross examination she admitted that she was away on vacation about the time the cancellation notice supposedly was sent. A woman who had been left in charge of the house had been instructed to receive and forward all mail. Mrs. Stevenson denied personally receiving the cancellation notice.

The court stated that the mailing of the cancellation notice, which was amply proved, raised the presumption of the receipt of the notice by Mrs. Stevenson or her agent, which the insured had failed satisfactorily to rebut.

M. H. Grannatt Recovers

M. H. Grannatt, assistant United States manager Royal-Liverpool, who was forced to enter a hospital because of a severe throat infection while in Indianapolis early last week, returned to New York Sunday, accompanied by Mrs. Grannatt who had had gone to Indianapolis immediately upon receiving word of his illness.

The L. J. Fitzgerald agency, Comanche, Okla., has been purchased by William Binder.

FIRE and ALLIED LINES REINSURANCE

NEW YORK 90 JOHN ST.

LOS ANGELES 215 W. 7th ST.

SAN FRANCISCO 114 SANSOME ST.



INTER-OCEAN
REINSURANCE
COMPANY

CEDAR RAPIDS, IOWA

NEWS OF FIELD MEN

Reelect Spencer in Virginia

Rice Becomes Vice-President—Rate Reduction Cuts Agents' Income—Collections Are Slow

Francis H. Spencer, Virginia state agent for the Springfield Fire & Marine, succeeds himself as president of the Stock Fire Insurance Field Club of Virginia, having been reelected at the annual meeting at Virginia Beach. R. Coleman Rice, Phoenix of London, was elected vice-president, succeeding the late Louis E. English. R. F. Rushin, Home of New York group, was reelected secretary. Albert C. Word, secretary of Louis E. English, Inc., general agency, Richmond, was reelected treasurer.

Mr. Rice has been supervising Virginia for the Phoenix of London for the last 14 years. He was in the home office of the Virginia Fire & Marine for a time before going into field work. He is the present most loyal gander of the Virginia Blue Goose.

President Spencer, in his annual report, discussed prevailing conditions in the insurance business in Virginia, dwelling particularly upon the effect that rate reductions are having on the income of agents. He pointed out that their income is being seriously curtailed by the reductions in both fire and automobile liability rates. A discussion of agency balances brought out that the letdown in business has affected collections materially. A number of the specials indicated their intention of attending a testimonial dinner sponsored by the Virginia Association of Insurance Agents to be given Commissioner Bowles in Richmond May 27. Following a golf tournament in the afternoon, the meeting was brought to a close with a banquet. There was an attendance of more than two score specials at the meeting, which was better than the average.

Four new members of the executive committee were elected: John H. Cato, Royal Exchange; John H. Baker, Virginia Fire & Marine; Lawrence P. Frayser, Great American; William C. Saunders, Jr., Fireman's Fund.

Colorado Pond to Initiate

DENVER — The Colorado Blue Goose, of which Herbert Helmkamp is most loyal gander, will hold an evening dinner meet Saturday, May 21, for initiation of five new members. H. K. Rogers, Western Actuarial Bureau, is expected to attend. There are five candidates to be initiated. Mr. Rogers, who has been attending the annual convention of the New Mexico Firemen's Association at Carlsbad, will hold a speaking class for field men in Denver.

The Blue Goose luncheon club met Monday, with 17 members present.

Kansas Field Men Elect

WICHITA—The Kansas Fire Underwriters Association elected R. M. Covington, Hartford, president, J. E. Mott, Great American, vice-president and George E. Shank, Fireman's Fund was reelected secretary-treasurer. Mr. Covington, former chairman of executive committee replaces H. G. Yankee, Agricultural, as president. The executive committee is to be named later by President Covington. The hail situation was discussed and the grave situation due to general losses since May 1.

Phoenix Rally in Chicago

Field men of Phoenix of Hartford in the central west were in Chicago for a two-day spring conference. The meeting was conducted by Vice-president George W. Holton, Secretary Roy E. Eblen and U. M. Lelli of Chicago, general agent inland marine and business development department.

New Officers Now in Office

F. Duane Hawkins Becomes Most Loyal Gander of the Heart of America Blue Goose

KANSAS CITY, MO.—F. D. Hawkins, Western Adjustment, was named most loyal gander of the Heart of America Blue Goose at its annual meet-

ing. A. H. Notton, North British & Mercantile, was elected supervisor; Merle O'Dell, America Fore, custodian; Fenton Hume, attorney, guardian; Fred S. Slagle, keeper; O. D. Cox, American, welder. J. C. Hupp, Security of Connecticut, was named delegate to the grand nest meeting and Hawkins was elected alternate.

Seven goslings were initiated: A. C. Trippe, attorney; R. L. Erlich, Underwriters Adjustment; C. C. Williams, St. Louis Fire & Marine; J. N. Carver, Automobile; Schuyler Williams, adjuster; G. W. Meyer, attorney, and Davis B. Griswold, agency superintendent American Fire of Galveston. A. C. Dow and

E. W. Kennedy, farm department of American Fore, were reinstated.

Dan T. Smith Puddle Outing

The Dan T. Smith puddle of the Illinois Blue Goose of Decatur and Springfield, Ill., will hold a golf tournament and dinner dance June 11 at the Sunnyside Country Club, Decatur. Plans have been made for the ladies to play bridge while the men are on the golf course. The "Kibitzers" will also have special awards given them for outstanding work. Members of the order from anywhere are invited and reservations are to be made through T. E. Smullin,

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When it comes time to trade in this car, be sure to tell the automobile dealer to order the fire and theft insurance from us. Unless you do this, he will probably arrange it with his finance company, thereby involving you in a short rate loss on the cancellation of this policy. To save this money, be sure to give instructions BEFORE you sign the purchase contract. Then you will also keep the insurance in our agency that is personally interested in your protection.

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Prepared for agents of the Agricultural Insurance Company, and the Empire State Insurance Company, of Watertown, N.Y.

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Here is some of the material on Automobile coverages . . supplied, imprinted, to our agents at no cost.

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EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME

Standard Office building, Decatur, Ill. H. J. Conklin of Springfield, Firemen's of N. J., is head of the puddle. Harry C. Harm of Decatur, North America, is croaker.

Addresses Bay State Club

Assistant Manager H. K. Schauffler of the National Board Gives Talk to Field Men in Boston

BOSTON—H. K. Schauffler, assistant manager of the National Board, appeared before the Bay State Club and addressed a meeting of fieldmen on "The Public Relations Job—Whose Is It?"

Introduced by President C. A. P. Johnson of the club, Mr. Schauffler said: "Although the capital stock fire companies, through the National Board, may initiate a campaign of national advertising, the men in the field and the local agents are the contact men with the public and only as they take up the message and carry reassurance to the public with reference to stock fire insurance can results be secured."

What Are Public Relations?

Referring to the term "public relations," Mr. Schauffler said a hundred definitions could be given to include its many aspects, but taken all together for the sake of simplicity, they sum up into the one word "reputation." "The men in the field have this reputation in their keeping," he declared, "and the point that I would like to leave with you is that the best of advertising, the most thrilling moving picture, or dramatic radio presentation will never more than start the public relations job for the fire insurance industry. Only the insurance representative on the spot can complete the program. A coordinated effort, national in scope but local in effective application, will in turn pay a good profit in the long-term sales program of every agent. Much of it costs him nothing except time and thought. How many of the Nation Board's aids are being used to advantage by the agents you know? Have you stopped to consider how many good bets you and they may have been missing thus far?"

Indiana Blue Goose Outing

About 100 members and guests participated in the golf tournament sponsored by the Indiana Blue Goose at Broadmoor Country Club, at Indianapolis, Monday. Dana L. Jones, Ohio Farmers, most loyal gander, presided at

the dinner and presented the guests, the only out-of-town company man being C. D. McVay, executive vice-president of the Ohio Farmers. J. W. Besterman, Rhode Island, and J. R. Hull, Union of Indiana, co-chairmen of the entertainment committee, distributed golf prizes.

Ehret Head of Kansas Pond

Annual Meeting and Election of the Blue Goose Was Held This Week at Wichita

WICHITA—The Kansas Blue Goose elevated Wm. F. Ehret, America Fore, Wichita, most loyal gander succeeding Joe F. Springer, Western Adjustment at Topeka, and other officers were advanced: J. A. Jensen, Fire Association to supervisor; J. Y. Dickerson, Firemen's, to custodian; R. E. Hauck, North British to guardian; E. H. Fikes, Home to keeper, and Shelby Holmes, Wichita, Royal-Liverpool group started in line as wielder.

Goslings initiated were Chas. S. Dunn of the T. W. Garrett, Jr., general agency; P. C. Godlove of Kansas Underwriters; Guy M. Lynch and M. R. Richards of Western Adjustment; Harold Holtz, Millers National; Vernon Blandin, Central Kansas Adjustment; R. H. Lange, Hartford; Paul Cooney, National Security.

Tuesday night the annual banquet was followed by a floor show.

Wednesday the annual golf tournament was held at the Crestview Country Club followed by a stag fried chicken buffet supper and evening of indoor recreation.

George Freese, St. Paul and Shelby Holmes, Royal-Liverpool group of the Sunflower Puddle, hosts to the annual meeting, were in charge of all arrangements, the 4th anniversary of the founding of the Sunflower Puddle at Wichita.

Delegates to grand nest are Joe F. Springer, retiring most loyal gander and Wm. F. Ehret, most loyal gander elect with alternates J. G. Updegraff, Royal-Liverpool and J. A. Reed, Aetna.

Gettysburg, S. D., Inspected

The South Dakota Fire Underwriters Association conducted a very successful town inspection at Gettysburg with about 20 field men present. Insurance Commissioner P. J. Dunn and four deputies, Messrs. Eastman, Wooley, Walker and Parrott were present. There was a banquet held with over 200 in attendance. The chief address was made by Commissioner Dunn. Talks were

made by Deputy Fire Marshal Henry Walker and Jack Krug of the America Fore. The Gettysburg fire department sponsored the inspection.

New F. & G. Florida Head

The Fidelity & Guaranty Fire has appointed Louis P. Hebard, special agent, to supervise Florida business with headquarters at 321 Hildebrandt building, Jacksonville. Mr. Hebard worked under the direction of State Agent Dana Kilcrease, who will continue to supervise Alabama and Georgia business, with headquarters at 614 Citizens & Southern National Bank building, Atlanta.

Prior to joining the Fidelity & Guaranty in January, 1936, Mr. Hebard traveled northern Florida for the Florida Rating and Inspection Bureau for nine years and is well known.

Shirley Heads Preventionists

W. T. Shirley, New York Underwriters, was elected president of the Iowa State Fire Prevention Association at the annual meeting. He has been vice-president the past year. He was not able to attend the meeting due to illness. J. R. Hoff, North America, the new vice-president, presided. J. R. Oakes, New Hampshire, is secretary and C. W. Borrett, Hanover, assistant secretary.

Anthracite Field Club Muster

The May meeting of the Anthracite Field Club will be held at the Hotel Sterling, Wilkes-Barre, Pa., the evening of May 24. J. P. Keatley, engineer Mine Safety Appliance Corporation, will demonstrate various gas exhaustive apparatus, carbon monoxide detecting equipment and mine safety appliances. The Underwriters Club and the Pennsylvania Field Club will have a joint outing at Wernersville, Pa., June 6-7.

See Aviation Movie

A sound motion picture, "Coast to Coast by Plane," was presented at the luncheon of San Francisco Blue Goose, May 16. W. E. Schoppe, Pacific Coast manager National Auto Theft Bureau, was chairman.

Tennessee Field Meeting

Program is being arranged for the annual meeting of the Tennessee field men at Grove Park Inn, Asheville, N. C., June 9-10. The Tennessee Fire Underwriters Association will meet on the 9th. The Tennessee Fire Prevention Association will meet the next day. The Tennessee Blue Goose will hold its

meeting the evening of June 9. Harry Avery, special agent National Board, will speak on "Controlling the Moral Fire Hazard" at the fire prevention meeting.

Nebraska Study Club Meets

OMAHA—A study club meeting was held here following a Blue Goose luncheon which about 40 attended. Speakers were Elmer Straka, J. E. Bright, Paul Barr and J. H. Riggs. Gordon M. Beals, most loyal gander, presided. A free week-end trip to Excelsior Springs, donated by Eppler Hotels to one gander and his wife, was won by Clem Rosengren.

Wichita Auxiliary Elects

The women's auxiliary of the Sunflower Blue Goose puddle at Wichita elected officers at the monthly luncheon-bridge. Mrs. W. F. Ehret is president; Mrs. L. T. Stubbs, vice-president, and Mrs. Ralph Mills, secretary-treasurer.

Maloy Moves Headquarters

Ward A. Maloy, special agent in northwest Ohio for the Glens Falls and Commerce, has transferred headquarters from Columbus to Toledo.

Denver Group Meets May 31

DENVER—The Direct Reporting Fieldmen's Association will hold its first meeting since the election of the new governing committee May 31.

Hear Rating Bureau Engineer

PORTLAND, ORE.—William F. White, Oregon Insurance Rating Bureau engineer, spoke on functions of the National Board and the standard rating schedule at a meeting of the Oregon division of the Special Agents Association of the Pacific Northwest.

South Dakota Appointment

SIoux FALLS, S. D.—Erickson Bros., with headquarters here, have been appointed South Dakota general agents of the Eureka-Security Fire & Marine. The general agency is composed of C. F. and Goodwin Erickson who have operated as local and general agents in South Dakota since 1925. The appointment was made by Western Manager V. L. Gallagher of the Pearl-American fleet following a conference in Chicago with the two Ericksons. The general agency has already begun operations for the Eureka-Security.

The Sun Underwriters has been licensed in Oregon.

AT ANNUAL MEETING OF LOUISIANA AGENTS



THOMAS C. GRACE, Baton Rouge

At the annual meeting of the Louisiana Insurance Society Thomas C. Grace of Baton Rouge, the president, is presiding and gives the report of the adminis-



MATT G. SMITH, Baton Rouge

tration. Matt G. Smith of Baton Rouge is former president and national councillor. Payne H. Midyette of Tallahassee, Fla., a member of the executive



PAYNE H. MIDYETTE, Tallahassee

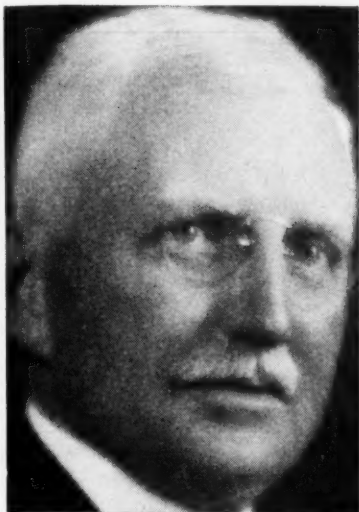
committee of the National Association of Insurance Agents, represents that body. A. R. Menard of New York City, assistant director Business Development



ALBERT R. MENARD, New York City

office, will tell of the work done by that organization and its plans for the future. The meeting of the organization is under way this week in Alexandria.

Mutual Leader Dies



JUSTIN PETERS

Justin Peters, president Pennsylvania Lumbermen's Mutual Fire of Philadelphia, who was prominent in mutual circles and had just retired as an insurance director of the U. S. Chamber of Commerce, died at his home in Overbrook, Pa., at the age of 74. He had been ill two months. He had served as president of Pennsylvania Lumbermen's 10 years and had been connected with the company 38 years. He served as director of the U. S. Chamber from 1932 until the recent annual meeting. He had held high positions in the American Mutual Alliance and Federation of Mutual Fire Insurance Companies. He was on the advisory board of Lumbermen's Mutual Casualty.

Wisconsin Agents Meeting Plans Are Announced

MILWAUKEE—Representative local agents from all parts of Wisconsin are expected to attend the second annual mid-year meeting of the Wisconsin Association of Insurance Agents at Hotel Schroeder here Thursday and Friday. Everyone attending will have opportunity to be heard and sufficient time will be allotted to discussions from the floor, President W. C. Thornton, Fond du Lac, announced.

The first general session will be called to order by President Thornton at 1:30 p. m., Thursday. Val Gottschalk, president Milwaukee Board, and Frederick Kasten, president Milwaukee Board of Casualty & Surety Underwriters, will extend greetings, the two organizations being hosts. F. L. Conroy, Oshkosh, chairman executive committee, will respond.

Reports of the administration will be made by President Thornton and Secretary John Seidel. Commissioner Mortensen will discuss supervision of fire and casualty insurance and an open discussion will follow.

Boards to Hold Dinner

A special program has been arranged for Thursday evening when there will be a local board and county board dinner, open to all agents. It is hoped to have representatives from each board in the state as questions of importance will be discussed and information given tending to aid in successful operation.

Two breakfast conferences have been arranged for Friday morning, one for rural agents with Hugh Bird, Beaver Dam, as chairman, and another for city agents, with W. B. Calhoun as chairman. Discussions of more intimate problems encountered by the two types of agents will be held.

An executive session open only to local agents will be held Friday morning at which there will be discussed the

safe driver reward plan, mutual and state fund competition, Business Development Office program, agent qualification legislation, established of a permanent membership committee, and the California plan. As requested by those in attendance, other subjects will be brought up for full discussion.

Following adjournment at noon, a golf tournament will be held, in charge of Mr. Calhoun.

Death of Hoopeston Agent

Mac C. Wallace, 59, well known local agent at Hoopeston, Ill., died Monday morning in Presbyterian Hospital

in Chicago where he had been a patient for 11 days. He submitted to an operation and had a blood transfusion. He was born in Hoopeston, Jan. 22, 1879. His son, Dale Wallace, has been with the agency during the last few years.

What One Pays in the Way of Taxes

MINNEAPOLIS—Three and one-third months of one's rent money each year goes for taxes, if he lives in a house; seven weeks' rent is taken by taxes in the case of an apartment

dweller. Of 48 United States cities reporting in a survey made by the Northwestern National Life, 29 have increased their realty tax rates over the preceding year. Rents, which rose along with taxes in 1937, have receded somewhat since the first of this year, but the tax collector still gets about the same proportion of the rent dollar as he did a year ago—not quite 29 cents, if one lives in a detached house, and slightly over 14 cents if he is an average apartment dweller, the study shows.

C. F. Heywood, 70, president of the Concord National Bank, and a director of the Middlesex Mutual Fire, died at his home in Concord, Mass.



When Nature cuts up, Hartford Insurance heals



That is the message conveyed by Hartford national advertising to local property owners everywhere. It is amplified to show that fire insurance alone is insufficient and that a simple endorsement on the fire policy broadens it to include damage by hail, lightning and windstorm as well as from man-made causes—by aircraft, motor vehicles, explosion, riot and civil

commotion. To you this is simply a description of the essential protection offered by the Extended Coverage Endorsement. In the minds of the millions who read the Hartford's advertising it creates a realization of a need for extended protection. Also the acceptance of this fact—that the local Hartford Agent is a good man to ask to provide this service.

Hartford Fire Insurance Company

—and Hartford Accident and Indemnity Company write practically every form of insurance except life insurance

HARTFORD, CONNECTICUT

N. F. P. A. Urges State Fireworks Law

(CONTINUED FROM PAGE 5)

but in the absence of state laws these local ordinances can do nothing to curb the fireworks merchants who set up stands just outside city or town limits.

Though proposed higher performance standards for pumps to be used in municipal fire fighting failed of adoption, the farm fire protection committee's report was adopted in its entirety. It provides revised standards for apparatus embodying practically all the changes proposed in the municipal revision except as to higher rated pressures for pumps, since the latter are not of such great importance in fighting rural fires. The result is that rural fire departments, which are mainly the ones in need of more up-to-date specifications for guidance in purchasing equipment, now will have the benefit of these standards.

More Study Desired

The report on revised specifications for municipal fire apparatus was referred back to the committee mainly because engineers felt that more time should be given to studying the effects of higher performance requirements and to make sure that the pumps could actually be built to the new specifications without costing more than the present equipment.

The familiar rule that water is worse than useless in fighting oil fires received something of a setback in the minds of those who witnessed the colored motion pictures prepared by the Factory Mutual laboratories. These showed the use of three newly developed types of spray nozzles in extinguishing fires in tanks of kerosene and light oil known as No. 4 fuel oil. It was pointed out, however, that use of water sprays is not practical for more volatile liquids having a flash point below that of kerosene. Use of colored motion pictures is valuable in studying the action of extinguishing equipment as it is easy to tell the flames by their color whereas in the ordinary film it is often difficult to tell which is flame and which is smoke or steam. Use of slow motion shots frequently reveals more than can be seen by actual observation at the time of the fire, it has been found.

Fire Marshals' Section

At the fire marshal's section meeting A. Bruce Bielaski, National Board, led a discussion on arson. He reported that for 1937 the number of arrests for incendiaryism increased 6 1/2 percent, convictions rose 21 percent and acquittals went up 5 percent. Each year a larger percentage of incendiary fires is reported so that it is now estimated that 80 percent of all incendiary fires occurring are reported.

An increasing number of incendiary fires involve financed automobiles where financing is based on too high a valuation. It has often been possible to trace a series of automobile fires in a community to this cause.

Arson Detection's Progress

Mr. Bielaski mentioned the progress that has been made in arson detection in certain localities, particularly in Maine, where Insurance Commissioner Lovejoy has taken a keen interest and has obtained excellent cooperation from fire chiefs. The chiefs report to him by telephone when a suspicious fire occurs so that investigators can get on the job right away. In the last eight months fires of suspected incendiary origin have fallen off by 50 percent in Maine.

Baltimore has also made excellent progress in arson detection.

Mr. Bielaski stressed the importance of making sure that photographs introduced as evidence in arson trials have no writing either on front or back, since the defendant's lawyer can always get the evidence thrown out by objecting to it. Several of those present said that their own men took pictures at the scene of suspicious fires. On the other hand, S. V. Coultas, chairman of the section,

said that professional photographers were better since they would not be open to the charge of being biased.

E. W. Fowler, engineer National Board, spoke on the various hazards associated with air conditioning equipment. He emphasized the smoke danger, pointing out that unless the equipment is shut down immediately it can spread smoke throughout a building either from a fire in the system or anywhere in the air-conditioned part of the building. He told of a fire in a department store in which smoke from burning dust in the system's ducts caused extensive smoke damage of merchandise. No customers were in the store but some of the clerks on the second floor were forced to leave by windows because of the density of the smoke.

Mr. Fowler pointed out the danger of panic in theaters or department stores. He said that research is now under way to investigate use of the electric eye. So far it is not known whether this type of automatic shutoff for the fans is practical and further information awaits the result of tests.

STATES ARE ACTIVE

W. F. Trager, fire marshal of Pennsylvania, described what has been done in the last two years since the appointment of a commission to investigate fire hazards in public institutions. He called on F. W. Homan, state department of labor, who said that as a result of the investigation a number of suggestions were put into effect, including more alarms, more exits, wider exits, and in several cases new buildings to supersede obsolete structures. The state has spent \$835,000 on correcting hazards, \$730,000 on new equipment, and \$700,000 on repairs, while the legislature has appropriated \$13,000,000 to replace the worst buildings.

Discussing fire prevention bureau problems, Paul Heinz, New Haven, said that firemen frequently fail to realize the duties of fire prevention bureaus and so do not cooperate in preserving evidence which is helpful in determining causes of fire.

Round Table Discussion Helps

He suggested that every fireman, before being promoted, spend six months in the fire prevention bureau. O. G. Lindemeyer, Detroit, also criticized lack of cooperation between fire fighters and fire prevention authorities. He said that when he became fire marshal in Detroit he had a round table discussion with the city building department, the fire department, and the arson squad and that excellent cooperation has resulted. Previously, when fire prevention authorities discovered building hazards and sent them to the city building department nothing more would be heard about it.

It was also found that inspectors and firemen frequently did not understand all the laws and ordinances that applied to their jobs. Mr. Lindemeyer moved to get a W. P. A. project to compile all the laws relating to fire hazards into a single volume and translate them into firemen's language. This volume, fully indexed, would become a valuable reference.

Leading a discussion on fire prevention weeks, Fire Marshal Frank Buckalew of Memphis said that "all cities follow the same general plan and I feel that success or failure depends entirely upon the type of citizens you are able to secure to direct the work of the various committees." Mr. Buckalew recommended careful planning of publicity and radio activities, saying that radio stations are glad to give free time but they are getting tired of the four and five minute talks that have been badly prepared by some person totally unfamiliar with his subject.

"I have found interviews between some citizen and a member of the fire

department which will tell an interesting story about a fire will prevent those who listen in from turning the dial to a more interesting program," he said. Mr. Buckalew mentioned that in Memphis the experiment of presenting original plays based on actual fires in the city had been successful.

F. B. Watkins, fire marshal of West Virginia, was elected chairman for the coming year.

Mayors Can Help

Speaking at one of the general sessions, P. V. Betters, executive secretary United States Conference of Mayors, suggested wider use of mayors' prestige in support of fire prevention work.

"The chief executive," he said, "can do more than any other official through prestige, influence, and, if you will, ability to get the headlines. The fire department needs and can use a public relations department just as much as the health department does in promoting its campaign. I have seen an ineffective campaign turn overnight into a successful one through getting the mayor on the job."

Mr. Betters pointed out that officials frequently fail to get the cooperation of the mayor for fear he would not be interested. He called attention to the success mayors have had in getting cooperation in two allied fields, public health and traffic safety.

Chief Tierney Speaks

At the same session D. B. Tierney, president International Association of Fire Chiefs, was a speaker. He contended that educational work for firemen would be solely under the control of that association.

In his address as managing director, F. H. Wentworth urged the establishment in fire departments of technical divisions under a superintendent having technical education and experience in fire protection engineering. He would be assisted by a staff of junior engineers who would receive salaries comparable with those of captains or lieutenants. This division would study the technical aspects of fires, maintain and analyze fire records, and on the basis of a study of these records plan inspection work, develop new fire fighting and control methods and conduct the necessary research to project the future development of the department in an intelligent manner. The division would also instruct the junior officers of the fire department in technical matters and supervise the high technical work of inspection and control of special fire hazards of explosives and flammables. To any competent modern business executive such a setup would appear as logical and necessary as any other feature of a city fire service, Mr. Wentworth declared.

Federal Educational Aid

Frank Cushman, consultant on training, federal board of education, outlined possibilities of additional education facilities for firemen through the money provided under the George-Deen federal law. He said that the committee in charge of firemen's educational work has been appointed so recently that a detailed description of what is to come would be impossible.

Others who spoke at the convention included W. J. Scott, fire marshal of Ontario; J. M. Hayes, Jr., fire marshal of Virginia; H. E. C. Rainey, membership chairman, and former Governor H. M. Hoffman of New Jersey.

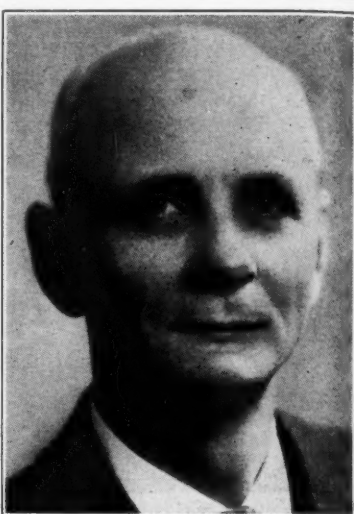
Following is a summary of some committee reports not previously mentioned:

Negligence Causes Truck Fires

Truck transportation: many truck fires are due to negligence. Each new truck driver should serve a period of apprenticeship. Suitable fire extinguishing equipment should be carried on trucks though it is not practical to specify sufficient extinguishing capacity to handle any major fire inflammable liquid cargo.

Dust explosion hazards: in aluminum bronze powder-making plants all buildings used in manufacturing should be at least 100 feet distant from other occupied structures. Handling of sulphur is

Is Presiding Over Oklahoma Convention



JOHN J. MOFFATT, Muskogee, Okla.

John J. Moffatt, head of Moffatt-Duncan-Nichols Agency, Muskogee, is presiding over the meeting of the Oklahoma Association of Insurers at Oklahoma City this week. Although this is the annual meeting, no officers will be elected. The present officers were elected in October and will hold over until the annual meeting next year. At the last meeting it was voted to have the fiscal year end June 1.

hazardous in whatever form used, particularly in crushing and pulverizing operations. Such operations should be conducted in a separate enclosure either detached or cut off from other parts of the structure by fire walls unpierced by door or window openings.

Pleasure Craft Hazard

Boat basins and municipal marines: serious conflagration hazards now exist on account of overcrowding. Unsafe fueling practices in absence of adequate fire fighting facilities have increased the hazard. Apparatus should be able to reach blazes from either the water side by fire boats or the land side for land operators. Vessels in course of construction or laid up are readily vulnerable to fire. Means of protection and detection should be available to permit prompt discovery of fire and retard the spread and permit extinguishing of any blaze before it has passed the incipient stage.

Fireproofing and preservative treatments: flameproofed textiles in general do not resist water or dry cleaning and consequently after laundering, dry cleaning, or exposure to the weather treatments must be renewed.

Automatic sprinklers: present day conditions, generally reducing former severe hazards and occasionally introducing extra hazards in very limited areas require better engineering by sprinkler installing companies and at the same time more flexible rules based on occupancies rather than types of construction alone. The committee is working on a complete revision of the rules and presented to the meeting some of the proposed new sections in preliminary form.

Vernor Had Clever Stunt

A surprise feature was a snappy dialogue between "Chief Shorty Smudge" and R. E. Vernor, Western Actuarial Bureau, at the conclusion of Mr. Vernor's report on visual education. "Chief Smudge," a dummy created by the maker of "Charlie McCarthy," is built around a loud speaker. President G. W. Elliot operated him by remote control from offstage. The act was used to emphasize the desirability of showmanship to give color to local educational programs. "Our people are tired of using the same publications and program outlines

year after year," Mr. Vernor said. "We must, at least, find new costumes for our characters in order to keep out of a rut, which somebody has denned as a grave with the ends knocked out. It might be remembered that even a dose of castor oil can be so camouflaged that it becomes almost palatable." Motion pictures of popular and technical interest arranged by the visual education committee followed Mr. Vernor's talk.

At the marine section Capt. Shephard, assistant director federal bureau of marine inspection & navigation, said the most pressing need is for codification of the bureau's regulations.

"A set of proposed regulations applicable to ocean and coastwise vessels will go forward to the industry in the near future with a request for comment," he said. "Public hearings will be held prior to their effective date. Fortunately, we have not had a marine disaster for some time involving loss of life. Therefore, the time is opportune for the cooperation of the industry with the authorities in establishing sound and reasonable regulations. Delay and another marine disaster will spell panic legislation and panic regulations."

Regulation of Trailers

Recommendations for cities as to use of their police powers in regulating trailers, either in camps or otherwise not in transit, were referred to the directors with power to adopt them if they see fit. The proposal specifies a number of restrictions which would be in the interest of fire prevention and fire protection.

Among the resolutions was one urging that municipalities, and other political subdivisions having the necessary authority, exercise police power in the adoption of zoning ordinances to insure against obstructions in the neighborhood of airports, in the marking of existing obstructions to air navigation; and that public utility commissions act to protect airports against the hazard of electric lines. The other resolution urged the United States attorney-general to seek an amendment to a law passed in 1934 so that it will be unlawful for any person to flee from one state to another to avoid prosecution or giving testimony in arson cases. The law now includes a number of felonies but not arson.

In addition to the regular program there were two radio speeches over the Atlantic City radio station, one by F. H. Wentworth, managing director, and the other by Strafford Wentworth of the N.F.P.A. engineering staff.

Fire Protection Changes

NEW YORK—The National Board finds that in recent years the improvement in fire protective facilities so far as water supply is concerned has been marked. There has been deterioration, however, in fire apparatus in many places. Municipal authorities are eager to improve the situation but lack funds and some are required to submit the question of a special tax levy to referendum.

C. H. Jung of St. Louis Dies

C. H. Jung, 48, assistant manager of the Missouri Inspection Bureau, died of heart disease at his home in St. Louis Sunday night. He had been on the job regularly and his death was unexpected. He had been assistant manager of the bureau about 10 years and previously for some time had been manager of the Missouri Audit Bureau. Services were held in St. Louis Wednesday and burial is to be in Milwaukee, which was formerly his home, Thursday of this week.

Mr. Jung started with a local agency firm in Green Bay, Wis. Later he served company bureaus in Milwaukee and later in Nashville. He went to St. Louis in 1924 as manager of the Missouri Audit Bureau. In 1929 he was appointed assistant manager of the inspection bureau.

He was past most wise and powerful meow of the St. Louis Cats Meow.

W. P. Pfeiffer has resigned as assistant cashier of the First National Bank at Kenton, O., to take over the agency of the late Isaac Bolenbaugh, 74, who died last week of a heart attack.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

MAP NATIONAL BOARD DINNER

Paul Sommers, president of the American and president of the National Board, is chairman of the committee on arrangements for the National Board Night dinner at the Hotel Plaza, New York, May 26. The other members of the committee are Sumner Ballard, president International and U. S. manager Skandinavia; B. M. Culver, president America Fore; F. D. Layton, president National, Harold Warner, U. S. manager Royal-Liverpool; F. W. Koec-kert, U. S. manager Commercial Union, and W. E. Mallalieu, manager National Board.

UNDERWRITERS GOLF TOURNAMENT

May 25 has been fixed as the date and the Raritan Country Club, Somerville, N. J., the place for the spring tournament of the Underwriters Golf Club of New York City. As the event will mark the 25th anniversary of the club's founding, an unusually attractive program has been arranged. A considerable number of out-of-town fire peo-

ple are expected in the city to attend the annual convention of the National Board the following day, and are extended a cordial invitation to join the golfers. Secretary C. A. Rich requests all desirous of entering the lists address him, 225 Broadway, New York City, so proper arrangements for their accommodation can be made.

DISCUSS PROPOSED CODE

Continuing study of the proposed new New York insurance code, representatives of the department were in session at Albany Monday and Tuesday, devoting particular attention to the suggestions advanced by company men and others at the various public hearings in New York City last fall, when the tentative draft of the code was discussed.

CENTRAL BUREAU REPORT

Unpaid earned premiums due fire and casualty companies on their New York business for December, the Central Bureau reports, aggregated \$112,751; an increase of \$23,150 over the figures for

the like period of 1936. Of the total premiums \$15,963 were due fire offices and \$96,788 casualty companies; the former revealing an increase of \$2,112, and the latter an advance of \$21,038 over the outstandings for the same month of the previous year.

LOSS OF PROFITS BOOK

An English book has been published by the Technical Press of London entitled, "Loss of Profits Insurance." The author is J. Gordon Legg, associate of the Chartered Insurance Institute. It gives the principles and practice of insurance against loss of profits consequent upon interruption of trading by fire. There are nine chapters in the book.

Clarence Axman, editor of the "Eastern Underwriter," sailed Wednesday of this week for a two weeks visit to Europe.

Wisconsin Mutuals Annual Meet

The Wisconsin Association of Mutual Insurance Companies will hold its annual meeting at the Hotel Schroeder, Milwaukee, Oct. 27-28. T. R. Schmidt, secretary of the Kewaskum Mutual Fire of Kewaskum, Wis., is secretary of the organization.

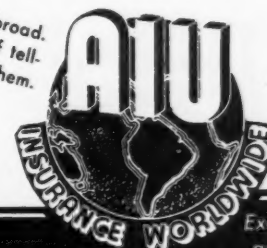


In the event of accident, anywhere on the globe, the A. I. U. protected motorist in a foreign land can count upon not only the strong security of his policy, but also on the help of our local claim men, who are familiar with local conditions, able to help him over the hurdles of language difficulties, legal entanglements, etc.

An A. I. U. policy is complete, simple, practical—a contract in English, with American companies—eliminating excess costs and long distance negotiations, overcoming currency embargoes, assuring greatest satisfaction.

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AMERICAN INTERNATIONAL UNDERWRITERS CORPORATION

111 JOHN STREET BEekman 3-7730 NEW YORK

FIRE LIFE CASUALTY INLAND MARINE AUTOMOBILE

Except U. S. A. and Canada

The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. STATEMENT DECEMBER 31, 1937

Premium Reserve	\$ 1,903,636.30
Other Liabilities	1,044,037.34
Surplus to Policyholders	10,394,211.93
Total Assets	\$13,341,885.57

Bonds and Stocks valued on New York Insurance Department Basis. Securities carried at \$609,232.73 in the above statement are deposited in various States as required by law.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch
Manager Brokerage and Cook County Depts.

Fire, Tornado, Automobile Insurance

THE LONDON & LANCASHIRE
INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK
INSURANCE COMPANY, LTD.

SAFEGUARD
INSURANCE COMPANY

ENGLISH AMERICAN
UNDERWRITERS AGENCY

STANDARD MARINE
INSURANCE COMPANY, LTD. (Fire Dept.)

GILBERT KINGAN, Manager
Eastern Department
20 Trinity St.
Hartford, Connecticut

W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.

C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois

For Over Fifty Years Good Friends of Local Agents

W. I. B. Holds Annual Meeting At White Sulphur

(CONTINUED FROM PAGE 3)

ager Geo. N. Porter was presented, and officers and members of the executive committee were reelected. L. P. Tremaine, Meserole, and J. C. Hiestand, are vice-presidents; H. M. Giles, vice-president and treasurer. The executive committee is composed of H. A. Clark, chairman; E. S. Inglis; R. R. Wilde, Corroon & Reynolds; L. P. Tremaine; V. L. Gallagher, Pearl; J. C. Hiestand; R. W. Wetzel, Northern of New York; H. M. Giles; E. E. Soenke; W. E. Wollaefer; H. J. Thomsen, Corroon & Reynolds; and W. A. Waters, Pacific National.

Mr. Clark referred to the fact that a crude form of insurance was in use among the Venetians and Greeks nearly 3,000 years ago. He told something about the origin of London Lloyds and referred to the development in Iceland in the 12th century of a form of live-stock insurance.

Prevention of Fire

The prevention of fire, he said, was practiced in Rome as far back as 732 B.C. There was a fire brigade of seven cohorts of 1,000 men each. He told something about the development of fire marks as a means of identifying properties in which the various fire companies were interested. The origin of fire insurance as a business, Mr. Clark said, dated from the great fire of London in 1667.

In 1752 the Philadelphia Contributionship or as it is better known, the Hand-in-Hand, was organized in Philadelphia as the first fire company in this country. The next company was the Green Tree, founded in 1784.

These early companies issued perpetual policies and he said that Philadelphia is the only city where this type of policy is in existence.

During the years 1810-1830, a number of new stock companies sprang into existence and there was an excess supply. Rate cutting resulted and an effort was made to establish uniform practice. Little success was obtained in the effort to bring order out of chaos.

National Board Founded

In 1866 the National Board was formed being an outgrowth of the Salamander Society of New York. The first standard fire policy was adopted in 1868.

Aside from wars, the most dramatic events of American life have been the disastrous conflagrations, Mr. Clark declared. He referred to the fact that the most disastrous of these have appeared in groups. For instance, the Chicago fire occurred in 1871 and the Boston fire the next year. The years 1904 and 1906 brought the conflagrations of Baltimore, Toronto and Rochester and the greatest conflagration in history, that of San Francisco, was in 1906. In 1916 the Paris, Tex., Augusta, Ga., Blacktom, N. J., conflagrations occurred, and in 1918 Cloquet, Minn., and Morgan, N. J.

Insurance Capital Suffered

A short time after the Chicago conflagration, rate stability prevailed, but before long the old cut rate tactics sprang up again.

The Chicago fire caused the failure of some 50 companies, but there had been such a development that the San Francisco conflagration was followed by the suspension of only 20 companies and a number of these afterwards resumed business. Insurance capital, however, suffered severely.

In the early days, agents were compensated by collecting a policy fee from the assured and a survey fee from the insurer. In 1856 the Massachusetts insurance department required showing of the commissions paid to agents. The early reports disclosed that the usual commission was 10 percent. Two or three companies paid 15. The agency system took more definite form between 1850 and 1885. As the agency system

developed, it became necessary to employ intermediaries and the special agents came into existence.

"There is no business or industry in the world whose activities are so far reaching as that of capital stock fire insurance," Mr. Clark declared. "Its fabric is interwoven into every known business or industry, in fact into every human endeavor. It is a business that is here not only for today but it is one that must and will continue its important place in the scheme of things in business, industry, farm, home, and will continue to be an integral and indispensable part of our very existence and well being for all time to come."

Throughout the history of the business there have been cycles of reform and of unbridled competition. In times of prosperity, companies are likely to run amuck, whereas in times of adversity regulation becomes popular.

Mr. Clark said that whether in times of prosperity or adversity, even the selfish ends of the companies will best be served if they recognize the everlasting benefits that come to fruition by strict observance of the rules and regulations of the organizations to which they subscribe.

In his report as chairman, Mr. Clark said the bureau directors had approved the recommendation of the subscribers actuarial committee that an unearned premium endorsement be adopted, covering only the premium which becomes immediately earned by virtue of a loss, from date of loss to expiration of the policy, figured on a pro rata basis.

Some companies, he said, desired to write unearned premium insurance under a separate policy, but it was finally decided that the rule should be drawn to compel the writing of the cover as a separate item in the same policy whose premiums are being insured.

The directors decided not to authorize the holding of regional field club meetings this year.

The directors voted to support the movement initiated by the Western Loss Association to have loss executives cooperate in the drafting of new forms.

Proposes By-Laws Amendment On Examination Setup

(CONTINUED FROM PAGE 3)

would be given discretion to select the zones that are to participate. Unless the chairman is so notified, he shall invite the participation of all outside zones in which the company is operating. When the zone chairman is advised that his zone is to participate, he shall select one state from his group to send one qualified examiner.

Convention examinations called by the home state shall be under the direction of the commissioner of that state. Examinations in which the home state is not participating shall be under the direction of the chairman of the zone in which the home office is located.

One-Zone Companies

Examinations of companies operating in only one zone shall be conducted by the home state with such participation by the other states within the zone as may be invited by the home commissioner.

When the examination is concluded, the commissioner in charge shall submit a copy of the examination report and statement of cost of the audit to the chairman of the examinations committee and this information shall be available to all members.

In his notice, Mr. Pew states: "Being but a recent addition to membership in the association, I naturally have hesitated to take on myself the responsibility for drafting this proposal. However, the official life of an insurance commissioner is so uncertain that I feel he must not hesitate to contribute what he can while he is in office. It is my understanding that amendments to my proposal can properly be considered be-

fore the question of its final adoption is voted on."

WEST VIRGINIA VIEW

THE NATIONAL UNDERWRITER solicited several commissioners for their views regarding the conflict between the New York department and Western Conference of Insurance Commissioners regarding the examination procedure.

Deputy Commissioner Justice of West Virginia replied:

"The zone system has been of great value to this office inasmuch as we have been able to place a great deal more dependence and reliability upon reports of examination when they were participated in by a number of states in conjunction with the home office state.

"It is probably true that a great many states employ certified public accountants and charge excessive fees and sustenance charges but it seems to us that this matter could be worked out by the commissioners as to a uniform basis, first, in the selection of examiners and, second, in the charges maintained.

Might Make Exception

"While Mr. Pink's position is thoroughly understood by most of the people, it seems to us that some exception could be made insofar as New York is concerned and probably the state of Connecticut or maybe a plan could be worked out where a state department maintains a corps of efficient examiners to make certain exceptions to the zone plan. There is no doubt but that the New York department is efficient and capably manned and can certainly take care of the examination of its companies. Nevertheless, it seems to us that the value of the zone system is so great that it should be maintained even though it might be necessary to work out some exceptions to the general plan.

"There are a great many states that are in the same boat as West Virginia, i.e., we cannot maintain a full time examination department on account of appropriations and the availability of persons capable of this particular type of work. The zone system is, of course, more efficient for this state than it would be for a state like New York or Illinois. However, we do think that there is considerable permanent value to the zone system and that it should be maintained and worked out so that it may continue."

Commissioner Earle of Oregon replied as follows:

"I believe in all probability that the question will be ironed out to the satisfaction of everyone when we arrive in Quebec. I really believe that the honorable superintendent from New York is not as tough as he thinks he is. It does not seem possible that we are all out of step except him, although he has the 'Supreme Court' behind him, which I understand he appointed (The Insurance Board)."

Brokers Qualification Course

NEW YORK—Of the 78 students enrolled in the brokers qualification course of the Insurance Society of New York, 60 percent are college graduates. One is a broker, ten agents, 35 employed in brokers' offices and 32 unattached.

Sioux City Women Elect

SIOUX CITY, IA.—The Insurance Women's Association has elected as officers: President, Mrs. Maybelle Duxbury, Western Adjustment; first vice-president, Lillian Ames, Grandy-Pratt; second vice-president, Ida Seff, M. Seff Agency; secretary-treasurer, Ruth Jones, McManus-Sibert-Murdock Agency.

Use Texas Schedule in Argentina

DALLAS—The general basis schedule of Texas, the rating formula of the Texas department, may be used as a guide for aspiring fire insurance inspectors of Argentina. W. S. Cunningham, formerly executive special agent of the Home in Texas, now manager in Brazil for the Home group, has asked the Texas Insurance Checking Office to for-

KANSAS STOCK COMPANY 1937 LEADERS

The fire insurance company leaders in Kansas last year according to premiums received are as follows:

U. S. Stock Companies		
	Premiums	Losses
Hartford Fire	\$863,696	\$322,932
Home, N. Y.	767,283	357,239
National, Conn.	546,416	209,678
Springfield F. & M.	427,554	141,486
General Exchange	397,042	241,525
St. Paul F. & M.	316,248	114,852
Phoenix, Conn.	306,094	127,904
Aetna	291,133	103,346
Insurance Co. of N. A.	272,249	111,383
Continental	258,608	116,354
Preferred Fire, Kan.	238,714	69,232
Travelers Fire	200,601	64,927
American Equitable	189,408	48,290
Great American	186,545	66,009
Fidelity Phenix	172,441	70,735
National Union	158,222	66,164
Firemen's	131,013	33,498
United States Fire	121,148	41,205
Automobile	116,738	39,523
Northwestern Natl.	105,495	35,635
American	103,229	49,233
Paul Revere Fire	100,181	59,904
Westchester	92,038	31,206
Security, Conn.	91,588	36,652
North River	90,210	24,762
Queen	88,392	47,583
Inter-Ocean Reins.	85,756	21,150
Connecticut	81,256	26,829
Kansas City	79,404	32,807
Northwestern F. & M.	77,608	35,020
Hanover Fire	75,552	38,484
Natl.-Ben Franklin	70,523	35,181
Pennsylvania	68,912	28,612
Western Fire, Kan.	63,333	18,056
Fireman's Fund	63,237	23,803
City of New York	61,639	20,951
Trinity Universal	58,970	26,170
Fire Association	58,374	23,767
Milwaukee Mechanics	55,976	21,039
Glens Falls	55,743	13,517
New Hampshire	50,659	15,782
Michigan F. & M.	50,300	16,645
Employers Fire	49,359	20,254
American Auto. Fire	47,220	17,730
Agricultural	46,449	16,768
Franklin Fire	45,754	26,247
American Central	45,411	36,476
Camden Fire	42,925	14,352
Concordia	42,757	15,140
National Liberty	42,210	16,597
Girard F. & M.	40,827	17,148
Newark Fire	40,800	21,978
Mechanics & Traders	40,591	15,576
Niagara Fire	39,826	13,809
Mercantile	38,852	14,167
Boston	37,004	14,752
Homeland	35,577	11,541
New York Fire	32,582	12,749
Fidelity & Guar.	32,566	12,909
Standard Fire, Conn.	31,567	7,673
National Security	28,388	7,304
Equitable F. & M.	25,951	4,124

ward a copy of the schedule to Buenos Aires, where an inspection office has been opened. He explained that the schedule embodies excellent material for guidance of young inspectors. C. A. Reilly, assistant manager of the checking office, has forwarded the book.

S. H. Stone, 36, local agent in Beverly, Mass., died there following a short illness. He opened his office in 1887.

Company	Premiums	Losses
Alliance, Pa.	24,332	17,141
American Alliance	24,728	8,476
Transcontinental	18,734	7,189

Foreign Companies		
	Premiums	Losses
Royal	\$124,136	\$66,841
L. & L. & G.	123,953	66,837
North Brit. & Mercan.	123,381	63,650
Commercial Union	87,242	31,755
Northern, Eng.	54,482	24,173
Century	47,365	18,893
Pearl Assurance	46,845	40,155
Phoenix, Eng.	39,152	11,418
Norwich Union	33,672	14,799
London Assur.	30,513	7,447

Seeks Data on Damage from Acid Dropped in "Air Raid"

LOS ANGELES—The Fire Companies Adjustment Bureau is seeking accurate information on the number of losses and amount of damage paid by companies to automobile owners under the comprehensive clause of their fire and theft policies from acid dropped during the exhibition air raid on Los Angeles and vicinity by army planes early in the year.

It is the general impression the figures are wanted to prepare for proceedings under subrogation.

"Where's that Agent's card"

Many people wait too long before securing fire insurance. Are your clients being placed in this embarrassing situation? Before it is too late see that they are properly insured in the

NORTHERN
INSURANCE COMPANY
83 MAIDEN LANE
NEW YORK, N.Y.

ROSSIA INSURANCE COMPANY OF AMERICA

CARL F. STURHAHN, President

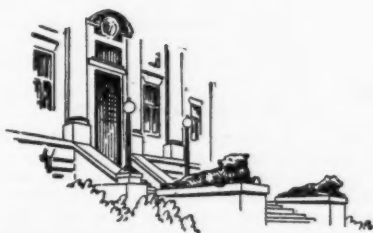
FIRE and MARINE REINSURANCE

and nothing else for
a third of a century

HARTFORD, CONN.
115 Broad Street

NEW YORK, N. Y.
116 John Street

SAN FRANCISCO, CAL.
114 Sansome Street



Collision Losses Continue to Show Improvement

(CONTINUED FROM PAGE 4)

Palmer of Illinois, however, has gone much further and dispatched to insurers an exhaustive questionnaire that goes to the heart of the matter. Superintendent Robertson of Missouri has also gone further than the commissioners of other states.

Insurers Not Resentful

As far as can be ascertained, the insurance companies are not resentful of these inquiries. They feel that this activity on the part of the commissioners will give the insurance company a leverage in dealing with the financing institution; that is, the insurer can plead fear of the insurance department when the finance company demands payment of higher commissions or requests that some devious practice be allowed. There are very few insurance men who will attempt to justify what is being done.

Lured by volume, some of the insurance companies have followed financing institutions into devious paths. The steps were taken one at a time and probably the insurance companies didn't stop to realize how far they were getting from the standards that the insurance business has always maintained.

Dating the Trouble

The trouble probably originated when the finance companies, under the competition of General Motors Acceptance Corporation, reduced the interest factor to 6 percent, which is in the neighborhood of 12 percent simple interest. Therefore a higher interest charge had been made and there were extras of one kind and another that insured profitable operations for the financing company. The 6 percent factor apparently was not enough. It developed, however, that with collision insurance being demanded in connection with all deals, the commission from the insurance company running up to 50 percent or more produced enough revenue to make a profit. If it were not for that profit, the finance companies would undoubtedly have to increase their regular interest charges. The net cost to the car purchaser would probably be no different.

In addition to getting a commission scale from insurance companies which Superintendent Robertson of Missouri characterizes as a "farce," the finance companies have been indulging in other practices to scalp money from the insurance transaction. In one way or another this consists of charging the car purchaser with a premium for a certain type of coverage and remitting to the insurance company as if the coverage that had been sold were of a less expensive type. For instance, the car purchaser will be charged for \$25 deductible collision, and the insurer will receive the premium for \$50 deductible. The remittance to the insurance company may be on the basis of a 2 percent monthly reduction clause policy, whereas the assured will be charged for the conventional coverage. Many finance companies do not credit the assured with a return premium, although they do collect a return premium from the insurance company. Cars are misclassified so as to get a larger premium from the assured than is paid to the insurance company. Some finance companies collect from the assured the premium for comprehensive coverage but issue only fire and theft insurance and remit to the insurer for fire and theft only.

Term of the Policy

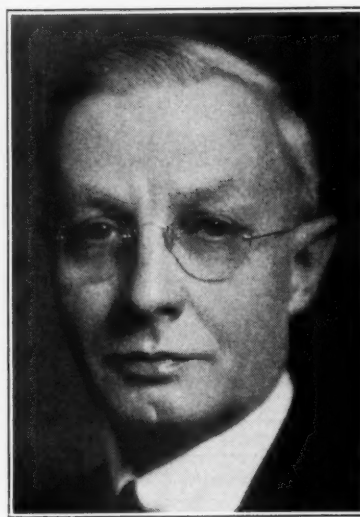
Most of the states have required that the policy be issued for the full term of the loan. Several abuses have developed because of the failure of the finance companies to do so. For instance, a 24-month financing deal may be arranged. The assured is charged for two years' insurance, but the policy is written for only a single year.

Western Bureau Officials



HERBERT A. CLARK

H. A. Clark of Chicago, vice-president and western manager of the Firemen's group, is president of the Western Insurance Bureau and chairman of its



FRED C. SCHAD

board. He, therefore, is in charge of the annual meeting held this week at White Sulphur Springs. Ably assisting is Secretary Fred C. Schad from Chicago.

At the end of the year the finance company's interest in the car has declined 50 percent or so and the finance company arranges coverage for the second year in a reduced amount, but the assured gets no credit.

A good many of these practices are carried on surreptitiously by the finance company and the insurance company is innocently victimized and made a party to an irregular transaction. In other cases, perhaps, the insurance company winks at these practices.

Some observers believe that the insurance commissioners, in attempting to do something about the finance business, will be faced with pressure to desist, not so much from the insurance companies as from the financing institutions. The latter may be able to summon considerable political influence. The insurance companies would doubtless like to see the situation cleared up and do not object to the insurance departments taking a hand.

The insurance companies feel that there is a limit to which they can go in policing the activities of finance companies. The reports from the finance company to the insurance company may not reveal what the actual arrangements are between the finance company and the car purchaser. For instance, most finance companies group the carrying charge and the insurance cost. An average is struck and the result may be that the insurance charge to one customer might be higher than if that individual should purchase insurance independently, whereas the cost might be lower to another purchaser. However, the finance company remits to the insurer on the basis of the insurance company's actual rate scale.

Farm Property Is Much Favored in the New Provisions

(CONTINUED FROM PAGE 4)

more liberal coverage. Explaining these, he said:

"This new uniform standard farm property form includes, without any additional premium charge, the dwelling inherent explosion clause. The extended coverage endorsement or supplemental contract, covering explosion, riot, riot attending a strike, aircraft, smoke and vehicle damage, is now available for farm property and can be written with combined fire and tornado insurance on the

basis of only 5c per year. In some sections, this is a form of coverage desired by farmers which heretofore was available only on city property.

"The item in the farm form insuring household and personal effects now follows the same broad form that is used for city property and extends up to 10 percent of the amount of insurance on that item to personal effects while in a summer kitchen, wash house or outside cellar. The assured's interest or liability on installment purchases is also covered.

"The item of the form insuring grain has been extended to cover threshed beans as well as ground feed and manufactured and compounded stock foods. The item on farm vehicles has been extended to cover all types of vehicles not operated by automotive power and most every other kind of farm implement and tractor-drawn equipment. Silage is included with hay, straw and fodder instead of in a specific item as formerly.

Power Farm Machinery

"The various types of power farm machinery, which formerly required specific insurance, are now blanketed with motors, engines and milking machines and may be written at the regular rate. Farm tractors are now written at the same rate as other personal property and combines with power take-off from the tractor can also be written at the regular farm rate. The coverage on live stock is more liberal under the new form. The pro rata clause is eliminated and, furthermore, provides for full limit on animals over a year old.

"I am sure that with the improved agricultural conditions which now prevail, or seemingly will prevail in most sections of the state, these liberal features of the farm form will make insurance protection for the farmer much more attractive than ever before. The liberal coverage for farm property in the new form was never obtainable from any source in the past."

Must Be Salesmanship

Regardless of the liberalized form, there must be salesmanship used in securing farm business. The agent is competing not only with others but with other products. He said that the farm property forms have been liberalized to a considerable extent without any increase in rates.

Mr. Warder stressed the necessity of the agent underwriting at the source. He said that the practical part of farm underwriting is now largely in the hands of the agents.

Hail Premiums Increasing; Several Storms Reported

WICHITA, KAN.—Prospects of a record wheat crop in Kansas are stimulating hail business, some hail offices already reporting premiums to be nearly equal to the 1937 total with another month for business yet to come in. Oklahoma business is reported to be much ahead of 1937 also.

Loss reports have come in from scattered areas during the past week. Heavy rains accompanied by destructive winds were experienced in central Kansas, largely in scattered rural sections. Losses were reported from a 100 mile stretch reaching from Kiowa and Medicine Lodge, Kan., to Sterling where hail caused scores of claims to roofs and automobiles, etc. Some total losses to farm properties and rural schools from wind were reported in the vicinity of Pratt. There was a hail storm in Argonia, 50 miles southwest of Wichita, and wind damaged many mercantile and dwelling risks in Wichita. A full corps of hail adjusters are in the field and six extra men were rushed into the territory by one of the adjustment offices. Continued rains caused some difficulty in reaching and settling rural claims but with favorable weather this week there will be rapid headway in clearing up the losses.

Two hail storms in Oklahoma recently did considerable damage to the crops. The first storm caused loss to crops ranging from 10 to 75 percent in the territory embracing Cherokee, Alva, Hopton and Camargo. The second storm was in the neighborhood of Lawton.

In Lawton, as well, much damage was done to window glass, roofs, electric signs and automobiles.

At Wynnewood damage was done to windows and roofs and at Pauls Valley the storm centered on the state training school for boys.

Atlanta Hotel Fire Tragedy Brings Demand for Reforms

(CONTINUED FROM PAGE 3)

His first declaration was that buildings which house large numbers of people should be fire proofed, also that hotels should have night watchmen.

At the next meeting, Councilman Beck will present a resolution calling for a revision of the city's fire code. Councilman White will offer a resolution calling for immediate investigation of fire hazards and ask that Fire Chief Parker and City Building Inspector Bowen make a detailed report to the council not later than June 15.

The Junior Chamber of Commerce has called upon all citizens to take strong and fearless action in adopting building regulations which would prevent a repetition of the hotel disaster. The chamber endorsed Chief Parker's request for the purchase of another 100 foot aerial ladder and two pumps, to cost \$38,000.

Former Governor to Speak

BOSTON—The program committee for the annual summer convention of the New England State Associations of Insurance Agents to be held at Poland Spring, Me., on July 8 has secured the acceptance of Former Gov. H. S. Bridges of New Hampshire as the guest speaker for the get-together dinner on the evening of July 6.

Boston Conference Club Elects

BOSTON—The Conference Club of Boston, formed last year by the younger members of local fire offices, elected the following officers: president, James L. Reed, American; vice-president, Joseph Dobbins, Wood, Keyes & Co.; secretary-treasurer, Aaron Porter, Jr., Paterson, Wyld & Windeler.

Julius F. Haller, office manager of O'Brien, Russell & Co., Boston, was tendered a dinner in recognition of his recent election to the board of selectmen of his home town of Needham.

NEWS OF THE COMPANIES

Report Made on Eagle Star

Managing Director E. M. Mountain Made Some Interesting Comment on the Results of the Past Year

The home office statement at the annual meeting of the Eagle Star of London, with Sir E. M. Mountain, managing director, presiding shows in its life department, 2,792 policies were issued for £10,680,819. Its life business increased last year.

The fire accounts show a profit of £89,099, which constitutes a record. The premium income was £819,464, increase £23,547. The loss ratio was 36.68 percent and the commission and expense ratio 51.30 percent. The premium reserve amounts to 52.2 percent of the premium income. The fire losses in Great Britain last year were estimated at £9,529,000 as compared with £10,897,000 the year previous. In 1935 there were £9,205,000.

Comment on Foreign Business

Commenting on foreign business, Chairman Mountain said that the year opened well in America but depressing influences were at work and there was a shrinkage in general business. In Canada the outlook is overshadowed by the recession in the United States and the general fall in price of raw materials. Events in China have had a disturbing effect on business in the far east but the chairman pointed out that owing to the cessation of war risk insurance the company has not been called upon to meet losses under this heading. The tendency toward lower rates and an increasing expense ratio is a marked feature in the foreign field, he added.

In the accident department covering personal accident and sickness, the income was £81,258, compared with £76,756 the year before.

In the employers' liability account, there was a further increase in premiums which were £210,438. There was a slight increase in loss ratio.

In the automobile department the

premium income was £1,631,238, a decrease of £1,993. The loss ratio was 63.97 percent.

Chairman Mountain reported that the average cost of claims during the last four years has risen about £4 per claim in consequence of new legislation. It settles nearly 50,000 automobile claims a year. One of the additional burdens was the decision given in the House of Lords in the case of Rose vs. Ford, by which a company has to give compensation in the event of any person being killed for what is termed the "expectation of life." During the last few years there has been a phenomenal increase in automobile insurance, Chairman Mountain pointed out. While he regards the department as a valuable one he does not think that any profit will be made in the near future unless there is alleviation by the change of law or by a less number of accidents or general increase in premium.

In the marine department the premiums were £278,847. The marine fund, he said, £320,485, is largely in excess of the requirements being an accumulation of undrawn profits made in past years.

In June of last year an agreement was reached by which ship owners would have to pay a 15 percent increase in premium on hulls except when the value is increased by 30 percent or over. Later in the year it was realized that the anticipated increase of 30 percent in repairs had been exceeded in certain countries, so in October a further agreement was reached that when the record of an owner was not satisfactory a further premium increase of 10 percent over and above the June agreement should be charged. Chairman Mountain said that in view of the reductions that had taken place over the previous six years, amounting to over 40 percent, this increase will leave companies in a worse position than they were when the reductions were first granted.

Cargo rates, he said, are so low that there has not been room for many reductions during the year. There is no doubt, he said, that the bulk of the cargo business is being accepted at rates that will prove uneconomic.

Since Feb. 1, companies only grant war cover while waterborne on a sea-going vessel. The risk of war on shore has been eliminated.

Chairman Mountain said that the dividend policy has been very conservative and in the opinion of some of the shareholders too much so. It has enabled the directors, however, to create a strong reserve position. Chairman Mountain said that in his opinion the catastrophe risk is very much less now than it has been in past years because the fire brigades are much more efficient, rules for building construction much stricter and war risk cover on land has been eliminated. There has been a slight increase in dividends each year for the last four years and Chairman Mountain said there will be further increases from time to time when the results warrant them.

The Eagle Stars total assets are £25,764,290.

New Service Fire Financing

Broderick Increases Capital of N. Y. Company to \$1,000,000—Net Surplus Is \$500,000.

Capital of Service Fire of New York, which was recently purchased by David F. Broderick and associates of Detroit, has been increased to \$1,000,000 and net surplus was brought to about \$500,000 with contribution of \$314,800. The capital heretofore has been \$200,000. The new money was raised by the sale of 8,000 shares of new stock of \$100 par value at \$139.50 per share.

Service Fire heretofore has been a small special purpose company operated

by the Intertype Corporation of Brooklyn. Mr. Broderick also controls Dearborn National Fire of Detroit.

E. W. Brown, Inc., Gets New Unit

The operating management of American Exchange Underwriters of New

York has been transferred from Weed & Kennedy to Ernest W. Brown, Inc.

Ernest W. Brown also acts as attorney and manager for the Associated Reciprocal Exchanges which are: Affiliated Underwriters, Fireproof Sprinklered Underwriters, Individual Underwriters, Metropolitan Inter-Insurers and New

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An Announcement

... It is with pleasure that we announce our incorporation and establishment as a reinsurance intermediary under the experienced direction of Mr. Edmund L. Bidgood. Our facilities for rendering a broad and efficient reinsurance service for the entire Middlewest are modern and complete in every way. Naturally your consideration and use of our service will be much appreciated.

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E

York Reciprocal Underwriters. The Ernest W. Brown group is connected with the management of the Canadian Reciprocal Underwriters and Theatre Underwriters of Philadelphia. The Brown office also operates Arex Indemnity.

Transportation in Ohio, N. Y.

The Transportation has been licensed in New York and Ohio. This is the fire company that was recently organized by Continental Casualty.

The **Seaboard** of the Royal-L. & L. & G. groups has been licensed in Connecticut.

Encouraging Report Made

Sales of home sites ready for building have been increasing very generally over the country in the past two months, and are on a level equal to or greater than last year in a majority of cities, according to representative real estate home builders and land developers replying to a query made by the National Association of Real Estate Boards. As these men see conditions in their own communities, the outlook in over two-thirds of all cities covered by the inquiry is that home building during 1938 will equal or exceed that of 1937.

Washburn Returns to Nashville

J. H. Washburn, for some years senior actuary of the consulting actuarial and auditing firm of Froggatt & Co., has now returned to Nashville, his former home, to resume private actuarial practice. His services as a consulting actuary will continue to be available to Froggatt & Co. to the extent his private practice permits.

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AS SEEN FROM CHICAGO

MID-WESTERN OFFICE OPENED

The Northwestern Mutual Fire's new mid-western department is located at 166 West Jackson boulevard, Chicago, in charge of P. J. Brown.

SNOW IN CHICAGO APPEARANCE

About 60 Chicago and Cook county agents of Phoenix of Hartford attended a three-hour meeting Tuesday afternoon that was in charge of C. A. Snow, assistant secretary at the head office. Mr. Snow, who is an encyclopedia of facts and ideas on the various fire company sidelines, gave a discussion of use and occupancy, extra expense insurance, tuition fee cover and leasehold interest. On Wednesday and Thursday, Mr. Snow is conducting smaller meetings for individual agencies.

EXAMINERS GOLF OUTING

The annual golf tournament of the Association of Fire Insurance Examiners of Chicago is being held Thursday afternoon of this week at Itasca Country Club. D. S. Lightfoot is chairman of the committee and the other members are R. H. Erickson and Adolph Sutter.

RAWLEIGH WITH CRAWFORD & CO.

J. N. Rawleigh, for some time with the E. W. Hughes agency of the Massachusetts Mutual Life in Chicago, and well known in financial circles, is joining R. N. Crawford & Co., of that city. He will continue his activities in the life field, and in addition will handle all forms of insurance.

BERGER DELIVERS SULLIVAN CHECK

Carl A. Berger, president Insurance Brokers Association of Illinois, delivered a \$1,000 check to the widow of Daniel J. Sullivan, assistant starter in the Insurance Exchange, Chicago, who died a few days ago after an illness of several months. In 1926, Mr. Berger found that elevator men in the Exchange, "house of insurance," were not covered by insurance. So he took the matter up with E. W. Rinder, building manager, and the elevator operators, placing a salary deduction plan. The check to Mrs. Sullivan was paid under this contract. Dan Sullivan had been with the Insurance Exchange 23 years and was well liked.

HARTFORD STUDY GROUP MEETS

The Hartford Fire study group in the western department, Chicago, which is concluding its 1937-1938 course, will hold the annual dinner May 23. C. H. Smith of Smith & Wheeler, co-managers western department, will be toastmaster and Clem E. Wheeler, who has been a patron of the study group since it was formed about eight years ago, will attend. The president is Dale Bowen, examiner, and secretary, Yale Gooden, examiner. The executive committee consists of Everett Swenson, Wilfred Coyne and James Knapp, all experienced examiners. The class this year numbers about 62. The heads of departments in the western department are instructors, there being a class in Dean schedule and also a general insurance class. President Bissell on visits to Chicago has addressed the study group and other special speakers are called in on occasion. The class meets from September to June 1 for two hours every Monday evening. It has been found that many graduates of the course have been promoted. F. N. Anderson, assistant superintendent of the automobile department, has been director of the group throughout its existence.

IMPROVEMENT IN BROKERS

That the Illinois brokers qualification law has accomplished results is indicated in the virtually unanimous sentiment of counter men, underwriters and other insurance company and general agency

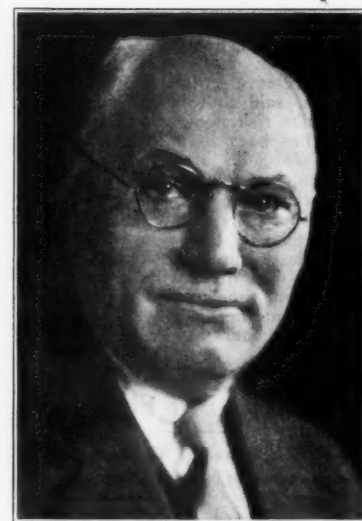
employees in Chicago who deal with brokers. Almost without exception, the men whose jobs call for a face to face contact with brokers declare that the average broker today is of far higher caliber than he was a few years ago. They particularly welcome the passing of the day when any person could walk in, declare he was a broker, offer a line and demand commission.

Not only is the average broker more reliable, financially and otherwise, than before, but cases of misrepresentation of insurance contracts to the assured have rapidly decreased in number. In the opinion of many underwriters, much of this misrepresentation was not based on deliberate deception, but on ignorance of the unregulated broker. He did not know and, rather than admit it, he would assure the prospect that the policy covered the subject of any particular question. The broker's license examination may not be very difficult, but it does require at least a knowledge of the bare essentials of insurance. Brokers are more inclined to ask the underwriter or counter man questions about coverages and the questions indicate a higher degree of intelligence and knowledge of insurance. Quite apart from any statistics on the number of licenses issued and refused, the men who deal with brokers are well pleased with the new state of affairs.

SOFTBALL SERIES STARTED

The Insurance Softball League of Chicago, composed of 25 teams, organized under the management of H. Stevenson, Western Adjustment, has commenced its weekly periods of play-offs. Nine new teams have entered the league, the title of which was won last year by American Automobile, with London & Lancashire placing second, and W. A. Alexander & Co., third. The new teams are: Equitable Society, Marsh & McLennan, Millers National, Fred S. James & Co., American Mutual Liability, Providence Washington, Pearl-American, Bituminous Casualty and Insurance Exchange Building Corporation. The league is divided into four divisions, one division having seven teams and the

Makes a Hit



FRANK L. ERION, Chicago

Frank L. Erion of Chicago, well known independent adjuster, struck a responsive chord in his talk before the insurance division of the American Management Association at Atlantic City. He appeared in a panel discussion and naturally he centered on his favorite topic, "Use & Occupancy." Mr. Erion's remarks were enlightening and constructive.

other three, six teams. Games are being played in Lincoln Park on Monday evenings, Waveland Park, Wednesday evenings, and Grant Park, Friday evenings.

BROKERS SUPPORT "AD" DRIVE

A vote of confidence in officers and directors of the Insurance Brokers Association, Chicago, and authorization to continue the campaign of newspaper advertising opposing the automobile safe driver reward plan were embodied in two resolutions adopted at a special meeting called by President C. A. Berger on complaint of several members against running the ads. Three directors voted against the motion to continue the campaign, these being C. S. Prince, Angus Chassells, association secretary, and J. H. Moore. Mr. Prince voted against expressing confidence in the officers on this issue. He had threatened to resign. The objectors were under misapprehension the officers had exceeded their authority, but a resolution adopted at an open meeting Feb. 10 authorizing appointment of a committee to act, following adoption of a resolution opposing the safe driver plan, proved to give the authority necessary. The special committee handling the brokers' publicity campaign in opposition to safe driver reward plan are: R. M. Redmond and F. P. Lavin, past presidents; C. J. Nolan and J. A. Mudd. Other insertions in the ad campaign will be made, President Berger said. A special meeting will be held in the Chicago Board auditorium May 26 at which any member brokers opposed to the association's policy in this matter may be heard. There were present at the meeting this week 22 of the 28 directors, all voting. The brokers next quarterly meeting will be held July 21.

GOVERNING COMMITTEE MEETING

The governing committee of the Western Underwriters Association will meet in Chicago Thursday of this week for organization. This is the first meeting following the annual meeting of the organization at White Sulphur Springs. John C. Harding, manager of the Springfield F. & M., has been chairman for some time.

SPEAKERS FORUM HEARS PERROW

The Exchange Speakers Forum, insurance public speaking group in Chicago, heard Arthur Perrow, secretary-treasurer Illinois Bell Telephone Company, on what is required of the average individual to succeed in business life. Mr. Perrow is a member of the Executives Club of Chicago and internationally known as a speaker. Opportunity, he said, is not a matter of age but in knowing how to develop and direct energy into channels of the greatest productivity. He gave determination as the greatest single factor of success and urged those selling insurance to free themselves from an apologetic manner when interviewing clients. Insurance, he said, is a profession that anyone should be proud to represent and offers one of the greatest means of self-expression. Those in business making a special effort to be courteous and polite at all times will be well compensated for their acts, he said. Mr. Perrow referred to a number of the country's prominent business executives, giving what he considered to be the reason for their having achieved positions of prominence and wealth. He summed up his address with the phrase "Know Thyself." About 75 members and guests attended the meeting held in the Chicago Board auditorium. R. E. Baker, office manager of the Hartford Accident, introduced the speaker.

Douglas T. Ga Nun, Chicago, secretary of Barnham & Mitchell, is father of a daughter, Cynthia.

John F. Boyle, 64, formerly with the firm of Adams & Boyle, Little Rock, died in Baltimore after a long illness.

Mrs. Mary M. Eudaley, 92, mother of Glenn R. Eudaley, treasurer of the Liberty Fire of Louisville; died at her home in Nebo, Ky.

South Carolina Agents Take Up Mixed Agency Question

(CONTINUED FROM PAGE 5)

are functioning, groups having been formed at Spartanburg, Greenville, Charleston, Anderson, Sumter and Florence.

President James H. Woodside, Greenville, tried ineffectually to have the association break away from its precedent of reelecting its chief for a second term. Reappointment of the other officers is expected, including J. T. Hudson, Spartanburg, as secretary-treasurer; J. F. Stuckey, Bishopville, as manager, and W. Henry Lawrence, Anderson, as director of publicity. New executive committee members are Luke J. Wilburn, Union; C. F. Carter, Jr., Charleston, and Thomas R. Miller, Florence.

Invitations Are Submitted

Invitations for the 1939 convention were submitted by Aiken and Charleston, with the time and place to be chosen by the executive committee.

Principal interest centered in the open session with Simpson F. Cannon of Spartanburg as chairman. It included a playlet given by four members of the Charlotte, N. C., Exchange, entitled "B. D. O. Study Class." Members of the cast were Hal DeArmon, Reginald L. Price, Elbert Todd and Ernest Young, who had presented the same skit two days earlier at the convention of the North Carolina agents.

Talks at the session further emphasized pro-stock work, the speakers being Mr. Dauwalter and E. M. Allen, executive vice-president National Surety, an unexpected guest. Mr. Cannon and H. C. Porter, Jr., chairman of the field men's committee on the B. D. O. program, also spoke.

Mixed Agencies Criticized

Mr. Dauwalter, who explained plans and methods for meeting non-stock competition, also touched on the "mixed agency" complex and told the agents that they should not "break down just to get a commission" and that they "must have courage to lose a line now and then." He also declared that brokering to mutuals is "only temporizing," inasmuch as in time the opening up of a line to direct-writing mutuals will lead to "washing out local agents." He emphasized that success of the B. D. O. movement depends on the work of agents, saying "You have to do the job." He urged them to study their business at least one-half hour each day, to call on company field men for assistance and to stress the value of agency service in their solicitations.

Mr. Allen reiterated in large part the points made in his address on "Our Times" delivered at the North Carolina agents' convention. He declared that stock companies and agents must present a united front in meeting the public demand for the best services provided for in the premium dollar. In line with the theme of the South Carolina meeting he developed his thoughts on the value of organized local boards and then added: "If you want to preserve yourself and the stock insurance business, you should not have mutuals in your office. No mutual company is under obligation to you or is a signatory to the agreement on agency ownership of expirations."

Will Move Forward

Through organized local boards, Mr. Allen said, the producers will dignify their business, talk over problems and move forward through cooperative effort. Mr. Cannon offered as additional benefits the points that organization enables agents to iron out differences, control credit, handle public lines, and impresses assureds.

Mr. Midyette, as representative of the National association, outlined the value of organization on a national scale, mentioning particularly the Washington service office and the B. D. O. "As a result," he said, "I am a better agent

and am more capable of competing with non-stock carriers. The greatest enemy that we agents have is our lack of knowledge and specific information about what we are selling."

Two College Presidents

Two presidents of South Carolina colleges also were on the program. Dr. Shelton Phelps of Winthrop College discussed the part insurance has played in promoting social security, making the observation that "insurance is becoming a socialized business."

W. P. Jacobs of Presbyterian College at the banquet commended insurance men for encouraging stability and helping assureds prepare for the future. His message, which led to adoption of the resolution calling on agents to take greater interest in public affairs and politics, emphasized the point that "our democracy is threatened by our own citizens because they do not take an active part in government." He scored the lethargy of citizens that permits the organized minority to get through its program, adding that "you have no right to blame legislators" for passing poor laws.

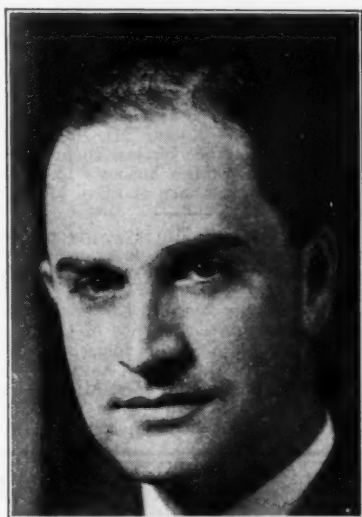
The strictly intra-association matters were taken up in the two executive sessions, where President Woodside and Manager Stuckey submitted reports. Finances of the association are in excellent condition, with a total membership of 206 agencies. Its relations with companies were declared to be generally satisfactory.

Promote Highway Safety

Under the leadership of Henry Moses of Sumter as chairman, the association is taking a leading part in promoting highway safety in cooperation with the state highway commission. It is sponsoring a movie for teaching accident prevention in schools and also has been active in having the book, "Man and the Motor Car," accepted as a text in safety instruction.

The association confirmed its opposition to the safe driver reward plan, one speaker declaring that the automobile insurance business generally is in the "worst competitive condition." The discussion led to adoption of the resolution

Again at Helm



JAMES H. WOODSIDE

Despite the fact that President James H. Woodside of Greenville tried to get the South Carolina Association of Insurance Agents to break away from the custom of reelecting presidents for a second term, the organization insisted that he continue at its helm. Under Mr. Woodside's administration the association has had an excellent year and now has a membership of 206 agencies.

favoring a law for state control of automobile rates, both fire and casualty. The resolution cited the "ruthless method of introduction" of the reward plan and declared that the "studied disregard of loyal agents and our insurance commissioner is not conducive to friendly relations or public understanding."

Would Legalize Floater

The executive discussions also brought out the plan to have the personal property floater legalized in the state, following conferences with Commissioner King and the S. E. U. A. The Florida ruling, which protects the general rate structure, was held out to be a good model.

Commissioner King, in an informal talk, announced that no hostile legislation had been passed by the legislature, which has just adjourned.

Annual Meeting Program Is Given for Quebec Master

(CONTINUED FROM PAGE 5)

Afternoon

Business session:

Address, R. Leighton Foster, counsel for the Canadian Life Officers Association. Remainder of afternoon devoted to business session.

4:30 p. m. Reception at the Citadel as guests of Lieutenant Colonel Flynn, commanding officer of the Quebec garrison.

Evening

Formal banquet, followed by an informal dance.

Friday, June 17

Address, George D. Finlayson, superintendent of insurance, Dominion of Canada, Ottawa. Remainder of morning devoted to business session and committee meetings.

Afternoon—Continuation of committee meetings and business session.

Evening

Pamunkey Ceremonial, ball room of the Chateau Frontenac, in charge of C. C. Klocks, Northwestern Mutual Life. Following ceremonial an informal dance will be held.

Entertainment Arrangements

Arrangements have been made for entertainment of the visiting ladies. The men will have an opportunity of playing golf and visiting the shrine of St. Anne de Beaupre. The outstanding event from an entertainment standpoint will be a trip up the Saguenay River starting Saturday morning and returning to Quebec Sunday night, costing \$15 a person. Anyone taking the trip can remain on the boat, returning to Montreal Sunday night and have breakfast served Sunday morning at a cost of \$6.50.

Special hotel rates for the commissioners and their entourage including wives and other members of families are \$3.50 for a single room and \$6 for a double room, European plan. For the convention "third house" the rate will be \$4.50 and \$5 for a single room and \$8 and \$9 for a double room. Reservations can be made direct to the Chateau Frontenac, B. A. Neale, manager, or James W. Simpson, executive secretary of the general committee, care Sun Life Assurance Company, Montreal, Can.

Officers of the Organization

George A. Bowles, insurance commissioner of Virginia, will preside. S. L. Carpenter, Jr., insurance commissioner of California, is vice-president. The other members of the executive committee aside from Chairman Pink are Commissioners Julian, Alabama; Blackall, Conn.; Gough, New Jersey; Earle, Oregon; Daniel, Texas; Holmes, Montana, and Moor, District of Columbia.

National Board Luncheon

NEW YORK—Members of the National Board's 25-year club had a special luncheon at the Drug & Chemical Club Tuesday for R. C. Andrews of San Francisco and Clarence Goldsmith of Chicago, both assistant chief engineers.

Prepare Tentative Program for Illinois Agents' Meet

Tentative program for the mid-year meeting of the Illinois Association of Insurance Agents in the Broadview Hotel, East St. Louis, Ill., May 26, is announced. The program will be largely composed of informal discussions of timely topics and agents' problems.

Call to order by President W. H. Jennings, Jr., Rockford, will come at 10 a. m. There will be invocation, greetings by the mayor, reports of President Jennings, Secretary-treasurer S. E. Moisant, Kankakee, and of committees.

J. O. Brown, superintendent license division Illinois insurance department, then will speak on "Qualifications." E. D. Lawson, western manager Fireman's Fund, Chicago, will talk on "Personal Property Floater" and then conduct his usual popular question and answer session.

A discussion of automobile safe driver reward plan also is scheduled.

Two luncheons will be held, one of the farm committee and the other of the local boards committee.

At the banquet, Henry S. Moser, Chicago insurance attorney, will be toastmaster.

Late News from the Casualty Field

Motion to End Disclosure of Insurance Cover Filed

Attempt to keep out of liability cases in court the disclosure that defendant is insured caused filing in the Illinois supreme court of a motion for leave to enter appearance and file a brief as amicus curiae by Benjamin S. Adamowski as counsel for the Illinois chamber of commerce. The case is Ann E. Smithers vs. Russell Henriquez, on appeal from the Illinois appellate court. Rehearing is sought.

In the last session of the legislature a bill was filed, then withdrawn, designed to make insurance companies co-defendants with assured in liability cases. This met much opposition, as it was felt it would result in increased premium cost.

However, the Illinois supreme court later rendered a decision permitting the assured to divulge to a jury the fact he is insured and all data concerning his coverage. This, it is believed, will have the same effect as the bill which was withdrawn.

Mr. Adamowski's motion relates that the insurance rates and protection under automobile liability coverage would be adversely affected by the ruling. He said he was informed that if the practice of bringing out on the voir dire the financial interest of prospective jurors in a defendant's insurance company, it would mean larger losses to the carriers and inevitably increased insurance cost which would be paid by motorists. This, he said, would result in less automobile liability insurance being carried in Illinois, and therefore harm to the general public.

Contest for Graphic Audit

The U. S. F. & G. has been conducting a contest for the best graphic insurance audit presented by district supervisors. J. M. Knapp, New York City, was the winner, with second, third and fourth prizes going to C. C. Gingrich, Harrisburg; A. W. Lee, Syracuse, and W. H. Wellborn, Atlanta. E. T. Beal, Oklahoma City; E. C. Devlin, Boston; George Bottoms, Portland; John Nolan, Syracuse; William Fortna, Harrisburg; John Mayhew, Baltimore; R. M. Clark, Syracuse; N. E. Burman, Newark, and Robert Beale, Denver, received honorable mention.

EDITORIAL COMMENT

Good Sense and Sound Judgment Are Needed

IT IS to be ardently hoped that the rift that has arisen between the WESTERN CONFERENCE OF INSURANCE COMMISSIONERS and Superintendent PINK of New York will not lead to any disarrangement or schism in the worthy NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS. The clash between the New York department and the far western commissioners arose over the zone system of convention examinations whereby in case of a regular examination of a company operating in three or more states the procedure would allow all geographical areas to be represented.

Superintendent PINK takes the ground that under the statutes of his state, and in his opinion he is backed by the law department, he cannot invite officially departments of other states whose examiners are not under civil service as is required in New York to take part.

The Pacific Coast and mountain commissioners through their organization contend that a New York company operating in their states comes without any personal or official knowledge of its condition outside of the report of its home department. Therefore, these commissioners naturally have a sense of responsibility and when a New York company entered in their state fails they feel that the public justifiably criticizes them if they have not had any cognizance of its condition. However, the New York department does not require from other states an examination by its own people. It takes the word of the home department.

There is justice on both sides, as we see it. However that may be, it would be a disaster to have any untoward action taken that will tend to weaken or disrupt the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS which has accomplished so much.

One of the features that enters into the controversy is the claim that many departments do not have competent examiners. Almost all have an actuary who is regarded

as qualified to make examinations and some have one or two extra men. Many of the states with comparatively small appropriations employ public accountants or outside examiners, remunerating them on a fee basis. There have been abuses as to charges of these men, especially in these days when commissioners are analyzing expense ratios of insurance companies.

There are two objects that should be kept in mind. The public is entitled to honest and competent examinations. Unfortunately the laws in many states, and probably all, are not strict enough to guarantee that a license of a company to do business means that it is able to meet its obligations and is trustworthy. The people are entitled to every safeguard they can get in the way of their insurance. The audit of an insurance company should not be a perfunctory duty. There must be an analysis of those elements that make it what it is. There should be ability to look behind the scenes and scent any abuses or weaknesses. Perhaps in many cases examinations are largely routine affairs. There are accountants that are able to make an audit of a concern doing a general line of business and yet may not have the knowledge or experience that would enable them to examine an insurance company in a way that it should be.

Certainly the element of expense should be considered. Undoubtedly there have been serious abuses along this line. The agitation at this time should lead to closer cooperation, more efficient examinations and more satisfactory work. After all the main purpose to keep in mind is the proper protection of policyholders.

The NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS has done a world of good. It has brought about uniformity, it has almost eliminated examination raids, it has originated improvements and it has convinced both the public and insurance people that state supervision, although here and there it may be faulty, is rendering a very useful public service.

Special Agents-Field Production Engineers

WALTER H. BENNETT, secretary of the NATIONAL ASSOCIATION OF INSURANCE AGENTS, who addressed the Ohio field men the other day, gave a heart-to-heart and very frank talk as to his analysis of field men, what their duties are and how they should be performed. He referred to the modern successful field man as a "field production engineer." That is a very excellent designation.

The field man of today is certainly more capable of other service than collecting

balances, appointing agents and making inspections. He must be a skilled and impressive teacher.

As Mr. BENNETT pointed out, many producers are not equipped to function thoroughly, efficiently and completely but have to be schooled, encouraged and developed. There is a great opportunity today for field men to be constructive in drilling and equipping men who are out on the firing line getting business. There are so many different lines written now that

the field man must be a real and profound student of his contracts. Not only must he possess knowledge but he must have

the ability to impart information and develop agents into underwriters of real service.

Keeping the Premium Volume Up

THAT agents should be on the qui vive for opportunities to hold the volume of their commission level at least, C. D. SHEFFE, assistant United States manager of the LONDON ASSURANCE, in speaking before the AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS urged that they study carefully the various sidelines.

The reduction in rates is affecting the agency business. There are various syndicates and pools that write the larger risks and furthermore the agents outside of the large cities have as competitors the big city men who grab off choice risks in the

domain of the former. Much is being done today to help agents get better acquainted with their contracts telling how to apply them and thus make them more service giving.

ATWOOD JENKINS, well known local agent in Richmond, Ind., who is always forward looking, decries the reduction in rates but suggests and urges that instead of cutting down gross rates, added coverages be given that will keep the rates where they are and yet give the assured value received. This certainly is a suggestion that seems reasonable and sensible.

PERSONAL SIDE OF BUSINESS

John Ashmead, Phoenix of Hartford advertising manager, addressed the New Haven Advertising Club Monday. His talk on general advertising was broadcast by a state-wide network.

L. A. Hardman, 60, oldest employee in point of service of the Alabama Inspection & Rating Bureau, Montgomery, Ala., is believed to have lost his life in the Terminal Hotel fire in Atlanta, as no word had been received from him.

He was spending the week-end with relatives in Atlanta and was to return to Montgomery for work Monday morning. He was a native of Georgia and was an agent there for some years, later becoming special agent of the old Georgia Fire and subsequently joining the bureau, with which he became special agent on the rating force.

T. J. Marron, Minnesota special agent of the Employers Fire and for many years an examiner in the Minnesota department, will be married May 21 to Miss Mildred Roan of Minneapolis. Walter Belford of the Rhode Island and Eugene Griswold of the Accident & Casualty will be ushers.

John C. Ketcham, former Michigan commissioner, has been appointed agricultural counsel for the Michigan Chain Store Bureau. Mr. Ketcham was master of the Michigan State Grange 1912-1920. He will study the state's farm production with a view to developing better market for Michigan products through chain store channels.

Howard C. Boss, 61, head of the Gatlin-Boss agency at Jacksonville, Fla., died after a brief illness. Mr. Boss, well known in insurance circles, spent more than 22 years in the business in Jacksonville. He was born at Flint, Mich.

Madge Kellogg Murray, wife of **W. M. Murray**, prominent insurance man, died at her home in West Chicago this week. She was 53 years of age. Until a few years ago Mr. Murray was in the Jens, Murray & Co. agency of Chicago. Then he went to San Francisco, representing Fred S. James & Co. On Feb. 1 of this year Mr. and Mrs. Murray returned to Chicago and since then Mr. Murray has been devoting his entire at-

tention to his wife. Mr. and Mrs. Murray were married in Denver, Col.

T. C. Underwood, agency superintendent marine and general cover department of the America Fore group in Chicago, has been laid up at home for a week with an eye injury. He expects to be back on the job next week.

M. H. Falkenhainer, secretary of the Druggists Mutual, Algona, Ia., and Marie Wehler of Oakland, Cal., were married in Berkeley, Cal.

T. E. Downey, Jr., of Los Angeles, has been notified by the University of Arizona that he has qualified to receive his professional degree of Mechanical Engineer. He served eight years with the Arizona rating office at Phoenix and last December was appointed special agent and engineer of the Home of New York in Los Angeles. He was most loyal gander of the Arizona Blue Goose, which refused to accept his resignation and insisted that he must hold the post until expiration of his term.

Will J. Miller of the Miller-Studebaker agency, Topeka, has been named state live stock sanitary commissioner by Governor Huxman. He also was the first choice of the executive committee of the Kansas Livestock Association for the position. Mr. Miller was reared on his family ranch in Osage county, which has been operated by his father and uncle for many years. He graduated from the University of Kansas and was president of the Kansas Livestock Association several years ago.

Funeral services were held in Minneapolis Monday for **George V. B. Hill**, 65, Minnesota state agent for the Meserole companies, who died of heart disease after having been in Abbott hospital for several weeks. The Meserole organization was represented at the funeral by L. P. Tremaine, vice-president, and F. J. Pocquette of Chicago, western field representative.

Mr. Hill for years had been active and effective in legislative work in behalf of insurance. He was able to get the ear of several state administrations and thus procured unbiased legislative



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SAN FRANCISCO OFFICE—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

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consideration of insurance before the legislature. He was a short, stout man, with ruddy complexion, white hair, popular and prominent.

Mr. Hill until several years ago was general agent for Globe & Rutgers and had been engaged in insurance in Minneapolis more than 40 years. He had an extremely profitable volume. He served at one time in the Minneapolis city council. He was mentioned a few years ago as a possible candidate for mayor of that city.

Ralph H. Learn, assistant western manager of Aetna Fire, is on his annual fishing expedition in the waters of Lake Erie this week with his base of operations Put-in-Bay, O. Each year at this time Mr. Learn joins a party at the same place.

R. B. Dunham, Jr., special agent for Firemen's and Girard F. & M. in northern New Jersey, who died the other day, was a grandson of the late Daniel H. Dunham, who was president of Firemen's for 25 years.

Three St. Louis insurance men, R. V. Heffernan, and Gus H. Otting, brokers, and J. J. O'Toole, secretary F. D. Hirschberg & Co., and treasurer Fire Underwriters Association of St. Louis, are members of the federal grand jury. They will be subject to call throughout the summer.

George H. Duxbury, assistant United States manager of the North British & Mercantile group, accompanied by his wife, is enjoying the balmy climate of Bermuda, having sailed from New York last Saturday.

J. Victor Lane, assistant United States manager Northern Assurance and Mrs. Lane sailed from New York May 11 for a trip to Great Britain and the continent. He was abroad some years ago and so greatly appreciated the courtesies extended him by the home office management that he looked forward to the present trip with unusual pleasure.

Roy E. Curran, president Inter-Ocean Reinsurance, will speak at a one-day sales conference in Cedar Rapids for agents in eastern Iowa of the National Life of Vermont.

Harry K. Rogers of the Western Actuarial Bureau, Chicago, spent a few days in his home town, Marion, Kan., where he was called due to the death of his sister.

L. W. Bauerle, Wichita local agent and vice-president and secretary of the Southwest Building & Loan Association of Wichita, was reelected secretary-treasurer of the southwestern group of the United States Building & Loan League at the annual meeting in St. Louis.

John W. Friend is celebrating his 35th anniversary as Virginia state agent of the Phoenix of Hartford. Mr. Friend, who maintains his headquarters in Petersburg, is a brother of Robert M. Friend, long manager of the Fire Companies Adjustment Bureau at Richmond, and a nephew of the late Archibald G. McIlwaine, former United States manager of the London & Lancashire and president of the Orient.

William E. Davenport, veteran Boston agent, observed his 80th birthday surrounded by flowers and gifts in his office where he still attends to business regularly every day. Mr. Davenport started in the insurance business in Boston 63 years ago. He was born in Boston. He entered the office of the Boston branch of the Phenix of Brooklyn, now the Fidelity-Phenix, rose rapidly through office and field positions and in 1891 formed a partnership with A. M. Bullard. Later the agency became the William E. Davenport & Son agency. Alfred Davenport, the junior partner, died the past year. Mr. Davenport was early associated with many of the stalwarts

who went out from Boston to become high executives in various companies, most of whom have since passed away.

With Fred M. Gund as the host, those attending the meeting of the committees of the Farm Underwriters Association in Freeport, Ill., attended a bon voyage dinner for **Ira D. Goss**, who is leaving about June 1 for an extended European visit. He intends to undergo treatment in a spa in Jachymov in northwest Bohemia, where is found the strongest radio-active mineral water in the world, in an endeavor to improve his physical condition. Special arrangements have been made throughout Europe, so that the trip can be made comfortably. Mr. Goss' general condition is good but he does not have much use of his legs and uses a wheel chair.

Mr. Goss, the veteran farm manager of America Fore, who was just recently given charge of the hail department as well, was presented with a desk clock at the dinner. The toastmaster was C. E. Parks, farm superintendent for the National, who is head of the Farm Association.

Western Manager Gund insisted that the dinner be on the Crum & Forster management.

Withdraws O.K. of MLU Fees

JEFFERSON CITY, CO.—Attorney-general McKittrick has withdrawn his approval of the \$1,000 monthly fee to the law firm of Boyle G. Clark of Columbia for acting as special counsel for the Missouri department in the Manufacturing Lumbermen's Underwriters receivership case in the Jackson county circuit court.

McKittrick has frequently expressed his disapproval of the employment of special attorneys, contending that his department is capable of handling litigation that the superintendent's regular counsel can't handle. However, about six months ago McKittrick at the urging of Governor Stark gave his consent to the employment of Clark's firm. Clark is close to the governor and McKittrick and Stark are currently at swords' points.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 16, 1938

	Par	Div.	Bid	Asked
Aetna Cas.	10	3.00	84	87
Aetna Fire	10	1.60	43	45
Aetna Life	10	1.10	23 1/2	25 1/2
Amer. Alliance	10	1.20	19	21
Amer. Equitable	5	1.80	19	21
American (N. J.)	2.50	.60	11 1/2	12 1/2
Amer. Surety	25	2.50	40	42
Automobile	10	1.30	28	30
Balt. Amer.	2.50	.30	5	6
Boston	1.00	21.00	530	550
Camden Fire	5	1.00	18	20
Carolina	10	1.30	20	22
City of N. Y.	10	1.20	15	16
Contl. Cas.	5	1.20	25	27
Contl. N. Y.	2.50	1.80	27	28
Fidelity & Dep.	20	2.00	98	102
Fidelity-Phen.	2.50	1.80	28	30
Fire Assn.	10	2.50	49	51
Firemen's (N. J.)	5	.30	8	9
Franklin	5	1.40	22	24
Gen. Reinsur.	5	2.00	31	33
Gibraltar F&M	10	1.40	16	18
Glens Falls	5	1.60	38	40
Globe & Repub.	5	.85	9 1/2	10 1/2
Gt. Am. Fire	5	1.20	23	24 1/2
Gt. Amer. Ind.	1	.20	8 1/2	9 1/2
Hanover Fire	10	1.60	29	31
Hartford Fire	10	2.00	67	69
Home Ins. (N. Y.)	5	1.60	25	26
Homestead	10	1.00	12	13 1/2
Ins. Co. of N.A.	10	2.50	60	62
Md. Cas., com.	1		3 1/4	3 5/8
Mass. Bonding	12.50	3.50	43	45
Natl. Cas.	10	1.00	19	21
Natl. Fire	10	2.00	53	55
Natl. Liberty	2	.40	7	8
Natl. Union	20	5.00	100	105
New Am. Cas.	2	.60	9	10 1/2
New Brunsw. F.	10	1.70	25	27
New Hampshire	10	1.80	40	43
North River	2.50	1.20	24	26
N. W. Natl. Fire	25	5.00	110	115
Paul Revere Fire	10	1.30	17	19
Phoenix, Conn.	10	2.50	70	73
Preferred Accl.	5	1.00	14	16
Prov. Wash.	10	1.40	30	32
St. Paul F. & M.	25	8.00	180	190
Security	10	1.40	28	30
Sprfld. F. & M.	25	4.75	104	107
Travelers	100	16.00	430	445
U. S. Fire	4	2.50	47	49
U. S. F. & G.	2		12	13
Westchester Fire	2.50	1.60	28 1/4	30

*Includes extra. **Canadian funds.

Moves Eastward



W. L. WALLACE

W. L. Wallace, vice-president Pacific National Fire, who becomes the supervising officer for the eastern and middle western territory with headquarters in Philadelphia and Chicago, is a native of Camden, N. J., where he was born April 21, 1887. He was educated at Drexel Institute in Philadelphia. He entered insurance at the head office of the Fire Association, being there six years. He went to Los Angeles and became metropolitan manager for the Los Angeles Fire and the Occidental Fire of New Mexico. He then became assistant coast manager for the Norwich Union and for four years was vice-president and general manager of the Associated Fire & Marine of San Francisco, going to the Pacific National Fire, Aug. 1, 1932. He has been in charge of production at the head office.

New Book by Dr. Manes— Insurance Facts & Problems

Dr. Albert Manes, professor of insurance at Indiana University at Bloomington, Ind., has put out a new book entitled "Insurance Facts and Problems" which sells at \$2. Dr. Manes is a well known authority on insurance. The purpose of the book is to show the unity of all insurance activities and to present the subject not only as a business but as a basis of economic life, a mixture of capitalistic and collectivistic principles, a true science. Many types of insurance are discussed, some of them such as flood insurance and property life insurance, too recent to be treated in any other volume. Social insurance is also made a subject for discussion.

There are 12 chapters, they being: World-Wide Scope of Insurance; Economic Definition — Prerequisites and Limits of Insurance; Insurance Practice and Theory; Economic and Social Importance of Insurance; Calculation and Classification of Risks; The Limitation of Risks and Reinsurance; Prevention of Risks; Private and Social Insurance; Hyper-Inflation Experience in Life Insurance; American Life Insurance Observations from an International Point of View; Workmen's Accident Statistics on an International Basis; Progress of the Insurance Idea.

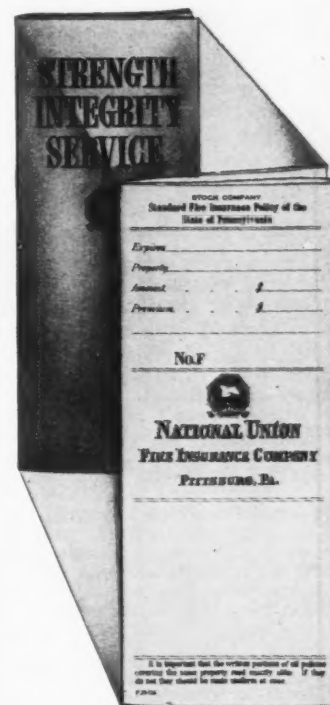
The book is sold by THE NATIONAL UNDERWRITER.

Increase Capital of Export

Paid in capital of the Export has been increased from \$400,000 to \$450,000 with \$50,000 transferred from surplus. The number of shares remains the same but the par value is increased from \$4 to \$4.50. The change was made to comply with the requirements of certain states.



NATIONAL UNION FIRE INSURANCE COMPANY Pittsburgh, Pa.



The Policy Behind The Policy

A
Good
Agency
Company



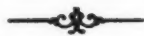
REINSURANCE

CASUALTY

FIDELITY

SURETY

The
EUROPEAN GENERAL
REINSURANCE COMPANY, LTD.
OF LONDON, ENGLAND



UNITED STATES BRANCH
99 JOHN ST., NEW YORK

T. L. HAFF
U. S. Manager

E. BRANDLI
Assistant U. S. Manager

The NATIONAL UNDERWRITER

May 19, 1938

CASUALTY AND SURETY SECTION

Page Twenty-five

New Fidelity Rate Cuts Inspire the Selling Force

Cost of Commercial Blanket and Blanket Position Bonds Lowered

A new impetus was given the fidelity bond campaigns going on over the country by the Towner Rating Bureau in reducing the rates on commercial blanket fidelity and blanket position bonds. At the same time, the Surety Association of America has revised the forms, the result being that the provisions of these forms are considerably more similar than heretofore. On both classes of business, reductions run from 10 to 20 percent for blanket position bonds, somewhat more than 10 percent on primary commercial blanket bonds for assured having 25 or less employees who regularly handle money, called Class A employees, and 10 percent on primary and excess commercial blanket bonds for assured having more than 25 Class A employees.

It appears that the effect of these changes will be to substitute the blanket fidelity bond for the blanket position bond in many cases and many offices are preparing to make this change on the next anniversary date of many of these bonds. A comparison of the two bonds has always been difficult because they approach the matter from entirely different angles. The commercial blanket bond places a blanket amount of insurance on all employees, applying to any and all losses, regardless of how many insured employees are involved. The blanket position bond places an identical specific amount of insurance on each employee, but losses caused by any particular employee are covered only up to the specified amount. Thus, a \$25,000 commercial blanket or blanket fidelity bond is similar to a bankers blanket bond, covering loss caused by any or all of the insured employees, up to an aggregate of \$25,000. A \$10,000 blanket position bond on 50 employees places \$10,000 fidelity protection on each employee. In a general way, these contracts have been compared to blanket and specific fire insurance forms.

Maximum and Minimum Amounts

The blanket position bond may be written with a minimum penalty per employee of \$2,500 and a maximum of \$25,000. Commercial blanket bonds are written in amounts of \$10,000 and up.

A number of authorities on bonding have taken the position that the commercial blanket bond is preferable in nearly all cases because of the catastrophe coverage. It is virtually impossible for the assured under a blanket position bond to collect the full amount of his insurance, whereas a large loss by one employee or by a few employees acting in collusion would cause this under the commercial blanket bond. It is

(CONTINUED ON LAST PAGE)

National Accident-Health Association Speakers Listed

Completed Program Announced for Annual Meeting of Organization in Cleveland, June 2-3

The completed program for the annual meeting of the National Accident & Health Association, to be held in Cleveland, June 2-3, has been announced. All sessions will be held at the Statler Hotel. The first day will be given over to a sales congress, conducted by the Cleveland association, and the second day to association matters. Every local association has been asked to designate a spokesman for the association who will be in attendance at the convention and participate in the round table discussion of local association problems the second day. The program follows:

June 2, 10 a. m.

Call to order, Charles L. Harris, president Cleveland Accident & Health Association.

Welcome to Cleveland, H. H. Burton, mayor.

Response, A. M. Holtzman, president National Accident & Health Association.

"We Should Be Proud of Our Business," E. H. O'Connor, assistant secretary United States Casualty, New York.

"Trends of Accident & Health Insurance," W. T. Hammer, manager accident and health department Commercial Casualty, New York.

"Profit or Loss," A. M. Holtzman, president National association.

Luncheon:

"The Romance of Our Business," Claris Adams, president Ohio State Life, Columbus, O.

Afternoon

"Merchandising Income Protection," Harold M. George, superintendent accident and health department U. S. Fidelity & Guaranty, New York.

"Accident and Health Sales Development," William Dignan, sales manager, W. E. Lord Company, Cincinnati.

"The Invisible Break," E. H. Mueller, general agent, Pacific Mutual Life, Milwaukee.

7 p. m. Banquet and entertainment, informal.

June 3, 10 a. m.

President's Address, Arthur M. Holtzman.

Secretary-Treasurer's Report, C. Truman Redfield, Chicago, national executive secretary.

"Prospective and Retrospective Plans for National Accident & Health Week and Hoodoo Day Activities," Harold R. Gordon, Chicago, executive secretary Health & Accident Underwriters Conference.

"Aims of the National Accident & Health Association," E. H. Ferguson, assistant secretary Great Northern Life, Chicago.

Local Association Session—Round Table Discussion, George L. Dyer, Jr., St. Louis, Columbian National Life, presiding.

Afternoon

Executive session.

Old business.

New business.

Report of nominating committee.

Election of officers.

N. H. Has Assigned Plan for Rejected Auto Risks

Agreement Signed by 53 Companies—Modeled After Scheme for Handling Compensation

Commissioner Rouillard of New Hampshire has procured acceptance from 53 companies to a plan for handling on an assigned basis rejected automobile P. L. and P. D. risks. It is similar in principle to the assigned risk workmen's compensation plans that are in effect in a good many states. This is the first such plan applicable to automobile.

The plan is to be administered by the Maine branch of National Bureau of Casualty & Surety Underwriters. Risks that have officially been turned down by four insurers may buy insurance from an assigned company at a surcharge of 15 percent if they are entitled to such coverage. The surcharge provides for 10 percent commission to the broker, 2½ percent countersignature commission and taxes.

The assignments will be keyed as far as practicable to the auto P. L. and P. D. writings of the companies in New Hampshire.

May Get Higher Surcharge

With the approval of Mr. Rouillard, surcharge of more than 15 percent may be imposed if the risk is exceptionally hazardous.

Without the permission of the commissioner, the insurance may not be less than the standard limits of \$5,000/10,000 P. L. and \$5,000 P. D. The company will not be required to write a policy for higher limits unless required by the New Hampshire financial responsibility law or any other law applicable to the risk.

Assignment will not be made if any driver of an automobile has been convicted more than once during a three-year period immediately preceding the application for any one or more of these offenses: Driving a car while intoxicated; failing to stop and report when involved in an accident; homicide or assault arising out of the operation of a car; driving a car at an excessive speed or in reckless manner where injury to a person or damage to property actually results.

Physical Disability Is Bar

The plan will not apply to an applicant who has a major physical disability or to one who has failed to meet all obligations to pay auto P. L. and P. D. premiums contracted during the previous twelve months.

Unless an applicant can qualify under the assigned risk plan, the companies will not write the risk and the applicant may not be allowed by the responsibility law to operate his car until he files with the commissioner of motor vehicles proof of responsibility for possible claims against him in the amount of \$10,000. The plan became applicable after May 10.

The companies were instructed to make a filing with R. C. Shipley, manager Maine branch of the bureau in Portland. They were requested to report their 1937 auto P. L. and P. D. writings in New Hampshire; to give in

(CONTINUED ON LAST PAGE)

Personal Accident Bureau Holding Annual Meeting

Ray Murphy of Executives Association Chief Speaker the First Day

By DOROTHY B. PAUL

RYE, N. Y.—An interesting program and an excellent attendance marked the annual meeting of the Bureau of Personal Accident & Health Underwriters, which opened here Wednesday. J. F. Lydon, Ocean Accident, chairman governing committee, who is presiding, probably will be reelected at the business session Thursday.

Only one formal speaker was heard at the opening session, aside from the chairman's address. Thursday's program includes addresses by Dr. M. C. Wilson, medical director Travelers, and R. K. Metcalf, manager claim department Connecticut General Life; a discussion of hospitalization plans by J. N. Whitaker, Employers Liability, and of the New York code by F. L. Templeman, Maryland Casualty.

The bureau adopted a resolution congratulating Bertrand A. Page on his 50th anniversary with the Travelers. Mr. Page has been active in the bureau since its inception and contributed materially to the success of the standardized program.

Murphy on Supervision

In discussing "Aspects of Insurance Supervision," Ray Murphy, assistant general manager of the Association of Casualty & Surety Executives, said that the average citizen cannot be well versed in the insurance business and as a consequence companies and their agents occupy a position of trust. It is therefore essential that a business so vast, so competitive and so vital to the interests of the public shall be adequately yet reasonably supervised by public agencies created and controlled by the people. The companies themselves have initiated and pioneered in developing many of the practices now required by the insurance departments. The size of the financial structures of the insurance companies have created a suspicion in the public mind that there is a monopoly in insurance. Mr. Murphy discredited this idea, saying that the vastness of insurance risks and insurance company assets are only proof that the American people are wisely protecting themselves against calamities. In the insurance field size is not a danger unless there is a lack of integrity and ability upon the part of the company management, coupled with a lack of integrity and efficiency upon the part of state supervisors of insurance. The lack of size is likewise no danger to a company where there is integrity and ability upon the part of management and supervision, said Mr. Murphy.

E. S. Fallow, Travelers, chairman sta-

(CONTINUED ON PAGE 36)

Birmingham Bar Makes No Headway on Adjuster Issue

Claim Men Counter with Plea for Assistance—Companies Ignore Lawyers

BIRMINGHAM, ALA.—Widespread efforts of some members of the legal profession to prevent other than licensed lawyers from adjusting insurance claims have had several repercussions in Birmingham and Alabama recently. Roderick Beddow, president of the Birmingham Bar Association, dispatched letters to the insurance companies in which action to revoke their licenses to do business in Alabama was threatened provided they continued knowingly to employ adjusters, independent or otherwise, who are not lawyers to handle their claims. Copy of an opinion of the attorney general was enclosed.

The Birmingham Claim Men's Association in turn sent copies of a resolution to the companies and to the agents, also to real estate brokers asking their assistance in resisting "unwarranted activities" on the part of "certain elements of the legal profession." It was further asserted that an effort was being made by this segment of the bar "to arrogate to themselves certain functions of business activity that by tradition, precedent and law are and should continue to be, open to laymen and lawyers alike."

Pay No Attention to Threat

Most of the companies paid no attention to the threats made by the president of the bar association. Others consulted their own attorneys in the state and were told that there is certainly no immediate danger of their licenses being revoked. Some of the companies also obtained assurances from the superintendent of insurance.

Lawyers interested in the subject succeeded sometime ago in Birmingham in having a commission appointed with the power to take testimony and to prefer charges against anyone accused of practicing law without licenses. This move was aimed principally at independent adjusters, but since the commission was created, no action has been taken against anyone. The move was opposed by a great part of the bar association which, however, was not as active as the segment seeking to oust the adjusters.

Case Thrown Out

Action was brought last year against a leading independent adjuster of the city, but it bogged down when the supreme court held that the judge in the case exceeded his authority. The case was thrown out.

The adjuster-lawyer issue is slated to come up before the Alabama Association of Insurance Agents at the annual convention in Mobile, May 19-20, and it is quite likely that a strong stand will be taken by the organization.

Under the code of Alabama, insurance adjusters are licensed to do business just like any other business man and pay an annual fee of \$25 each for the privilege.

Interpret Indiana O.D. Law

INDIANAPOLIS—A clarifying interpretation of the 1937 Indiana occupational disease law has been made by the Indiana appellate court at the request of the State Industrial Board, in the case of Arnold Jefferies, Warsaw, Ind., who was employed at a Warsaw foundry for six years and then dismissed in July, 1937, because he was a victim of silicosis. The court ruled that employees who contract silicosis must work 60 days for one employer before that employer is liable for compensation, and that employees are not entitled to compensation under the occupational disease law in cases where silicosis was contracted prior to June, 1937, when the law became effective.

Advertising Men Meeting



C. J. FITZPATRICK



STANLEY F. WITHE

Two prominent men in the casualty and surety field, advertising experts in their companies, will take a lively part in the spring meeting of the Insurance Advertising Conference at New York this week. C. J. Fitzpatrick, secretary

of the United States Fidelity & Guaranty, looks after its advertising and publicity. S. F. Withe is the advertising and publicity manager for the casualty, surety, fire and marine companies allied with the Aetna Life.

Employer Can Insure Men in Personal Accident Form

The Mississippi supreme court has held in favor of an insurance agent and against an employer, who sought to avoid paying premiums by claiming that the policies that were issued are void as against public policy. The case was Neely vs. Picford.

The employer, instead of buying employers liability insurance, took separate personal accident policies for his 191 employees. The policies were made payable to the employer and not to the employee. The employer agreed to pay all the premiums. The face of the policy secured payment to him whether he was liable for the injuries or not. The employer contended that he had no insurable interest as to accidents for which he was not legally liable and that such policies are void as against public policy and that being void the premium is not a valid obligation.

The court stated it is conceded that an employer who is liable to an employee in the event of injury to the latter, has such an insurable interest in the welfare of the employee as enables the employer to take out insurance to indemnify himself from any loss through such liability. The remaining question is, therefore, whether he has any such interest in an ordinary employee as to enable him to take out insurance for injuries to such employees for which he is not liable.

The court stated that under conditions and practices of former days, the question perhaps would have been answered by most courts in the negative, but in this day of enlightened practices, "employers do not throw injured employees to the dogs when the employer has no liability for the injury."

"Employers," the court continued, "do not first stop to inquire whether they are legally liable for the injury, but, at their own expense, or largely so, may take the injured employee to a hospital or otherwise furnish all necessary and suitable care and attention, for such reasonable time as is required, and if death results a decent burial is provided."

This, according to the court, is sufficient as a foundation for an insurable interest, aside from the consideration that the employer has a substantial interest in keeping all his workmen together without the disruption which follows upon injuries even to the most humble of them.

Cruger T. Smith of Dallas Strikes at Vicious Report

THE NATIONAL UNDERWRITER in its pictorial presentation of notables at the Hot Springs meeting of the National Association of Insurance Agents through the trusty Leica of H. H. Fuller of Chicago, deputy United States manager of the Zurich, captured two notable Smiths on the run, they being Clyde B. of Lansing, former national president, and Cruger T. of Craddock & Smith of Dallas, a top-notch in organization work. Taking it for granted that a Smith in Michigan, a state that may present the next Republican candidate for president, was a Republican and that a Smith in Dallas, right in the heart of good, old-fashioned Democracy, was a Jeffersonian Democrat, the two Smiths were labeled politically, having in mind the geographical location.

Now Cruger T. gets up on his hind legs and lets out a mighty and lusty howl. He claims that he has been slandered and vilified. He threatens a libel suit, claims that he will cancel his subscription and if possible "lick" the editor. Cruger T. claims to be the only lifelong Republican in his state. He declares that he cast his first vote for William McKinley for president and he has voted for a Republican president ever since. Therefore, he is a Republican with a capital "R."

Would Dissolve American Benefit

SPRINGFIELD, ILL. — Attorney General Kerner has filed in circuit court here a petition to dissolve the American Benefit Casualty of Springfield, which was reinsured last month by the Rogers Clark Casualty of Rockford. It was organized in 1926 as a life and accident assessment company and was one of a number of concerns operated by A. C. Littlejohn of Springfield.

Littlejohn was convicted in 1937 of mail fraud in connection with the operation of the National Aid Society here, but has not yet started his eight-year prison term, pending disposal of his appeal. The U. S. circuit court of appeals has sustained the trial court, and Littlejohn, out on bond, is seeking a rehearing of that action.

R. J. Bauer, Victoria, Tex., has opened an agency there.

C. B. Morcom Composes Strong Editorial Supporting Safe Driver Reward Plan

The "Premium Puller" published by Aetna Casualty features a strong editorial by Vice-president C. B. Morcom on the automobile safe driver reward plan.

"It is the insuring public which supports the business of insurance and all engaged in it," Mr. Morcom writes.

"A high percentage of this insuring public consists of prudent and responsible people.

"These people are not unreasonable when they demand from insurance sound and absolute security. They are not unreasonable when they insist that insurance function promptly, fairly and satisfactorily, when it is put to the test. And they are not unreasonable when they contend that the prudent and responsible automobile owner is a better insurance risk than the careless or irresponsible one.

Must Be Responsive

"The business of insurance must be responsive to the demands of those who support it.

"Its methods of operation must gear in with present-day requirements.

"If new plans are necessary to do this, then new plans must be created. If it can be accomplished by improving existing methods, then such refinements must be developed.

"The safe driver reward plan is today the answer to a reasonable demand from the insuring public. The demand is not of recent origin but it is one which has become increasingly insistent.

"The first attempt to meet the demand was the merit rating plan. This failed, not because it was unsound in principle, but because of abuses in its application.

"The safe driver reward plan is not exposed to such abuses.

"Its application is under the control of insurance companies.

"The companies have the sole responsibility to apply it honestly.

"The companies alone stand to suffer financial loss if bad or unfair practices are permitted to develop.

"A great deal has been written and much more has been said about the safe driver reward plan.

"What is simple has been made to appear complex.

"One result of this has been no little confusion and no little disorderly thinking.

Separates the Assured

"Briefly, the plan separates the loss-producing assured from the claim-free assured for different price treatment. The actual results, not opinions, are the basis for the separation. The majority of assured, almost 88 percent, will receive a reward of 15 percent of their insurance premium, while a relatively few approximately 12 percent—the loss producers—are penalized by not receiving the 15 percent return.

"The thoughtful insurance agent is alert to the opportunities which the plan creates for him and he recognizes the stabilizing effect it will exert on his renewal business.

"The companies sponsoring the plan believe they have found a solution to a problem which has for a long time taxed their resourcefulness.

"The hasty attempts on the part of many of those companies not associated with the introduction of the plan to adjust their rating methods so that they may claim some of the advantages of the plan are significant.

"But most important is the steadily increasing general approval which the plan has earned for itself since its announcement. In this widespread approval we find the insuring public, those people who support the business of insurance and all engaged in it, unambiguously testifying that the plan meets their demand, that it is what they want."

Hoodoo Day Drive Brings in Large Accident Volume

Preliminary Results Indicate New Record in Number of Black Cat Club Qualifiers

Early returns on the National Hoodoo Day drive sponsored by the National Accident & Health Association and The Accident & Health Review, NATIONAL UNDERWRITER publication, indicate that last year's record of 341 qualifiers for the Black Cat Club will be exceeded. Agents who write at least 13 accident or accident and health applications on Friday, the 13th, are eligible for membership.

It is estimated that around 5,000 agents participated in the drive in which a majority of the leading accident and health companies participated. One feature of the campaign is that participating agents not only make money but they always have a good time doing it.

Special Chicago Observance

As a preliminary to this year's Hoodoo Day drive, which had as its objective the writing by as many agents as possible of 13 accident or accident and health applications on Friday, May 13, 13 men who have been prominently identified with Hoodoo Day activities attended a luncheon the previous day in Room 1313 of the Stevens Hotel in Chicago.

All of the superstitions which have been regarded as bringing bad luck on Friday, the 13th, or any other day were flouted by those in attendance. They had a black cat as the honor guest, symbolic of the Black Cat Club, in which those securing 13 "apps" on Hoodoo Day obtain membership. They walked under a ladder, broke mirrors, spilled the salt and lighted three cigarettes from one match. The price of the luncheon was 13 dimes and each of those present gave the waiter a 13-cent tip. Those who took taxicabs to the hotel also tipped the driver 13 cents.

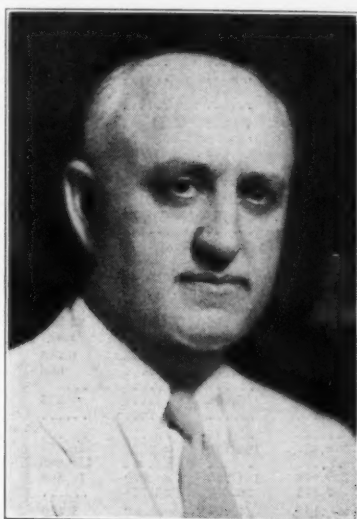
The luncheon itself carried out the motif of the gathering, with a miniature black cat decorating the ice cream and the figures "13" on the cakes which were served with it. It was arranged by John Thoss, maitre d'hotel, who was born on Friday, the 13th.

K. R. Grafton of the Reitan-Lerdahl Co., Madison, Wis., representing the Illinois Mutual Casualty, who has qualified six times as a member of the Black Cat Club, twice when there was a second Friday, the 13th, in the year and no official campaign was carried on, was a special guest.

The affair was given much publicity by the Chicago newspapers. The Chicago "American," Hearst evening paper, carried a six-column cut of the group, with boxes inset showing the various ways in which they were defying the jinx. The picture was on the first page in the early edition. Other Chicago papers had news articles in regard to it. Acme News Pictures, one of the nation-wide picture syndicates, sent out a picture which was used by many papers in other cities which are served by the syndicate.

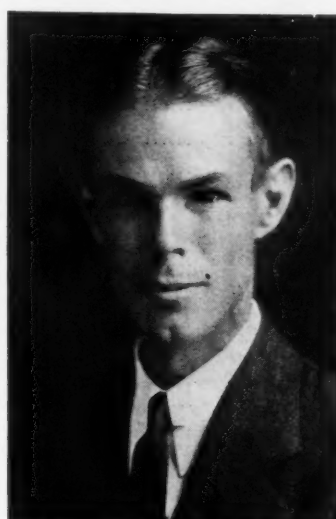
The Seltzer agency of the Aetna Life in Des Moines qualified three Black Cat Club members, two for the fourth time. R. N. Howes of the agency wrote 26 applications. The Schriver agency of the Aetna Life in Peoria, Ill., qualified three members. The eastern Missouri department of the Massachusetts Bonding had three qualifiers. The Walker-Hiner agency of the Mutual Benefit Health & Accident in Salt Lake City had six new Black Cat Club members. The Watts agency of the Pacific Mutual in Chicago qualified four with R. E. Watts, supervisor, getting 25 applications. The Atlanta office of the Maryland Casualty has six new Black Cat Club members. The Central Assurance qualified seven and the Globe Casualty two.

Speakers at Bureau Meeting



RAY MURPHY, New York City

Two of the speakers at the meeting of the Bureau of Personal Accident & Health Underwriters at the Westchester Country Club, Rye, N. Y., this week are Ray Murphy, assistant general manager



R. K. METCALF, Hartford

Association of Casualty & Surety Executives, and Robert K. Metcalf, manager claim department Connecticut General Life and former president International Claim Association.

U. S. High Court Consents to Review the Reorganization

W. H. Neblett, who has instituted numerous proceedings in an endeavor to upset the Pacific Mutual reorganization plan, obtained this week permission by the United States Supreme Court to review the validity of the reorganization. The action was instituted by a group of policyholders. They asked the Supreme Court to review the decision of the California supreme court affirming the reorganization and dismissing the pleas of the policyholders that the reorganization decree be vacated and set aside.

The policyholders contended that the reorganization was beyond the powers of the state and that it violated the due process clause of the federal constitution.

APPEALS COURT HEARS ARGUMENTS

LOS ANGELES—The United States circuit court of appeals in San Francisco heard argument of the appeal of Mrs. Fannie R. Hutchins of Texas, against the ruling of Federal Judge Roche, that the federal court could not take jurisdiction in a suit of stockholders for the return to them of the assets of Pacific Mutual Life.

Wm. H. Neblett, counsel for Mrs. Hutchins, who owns 50 shares of stock in the old company, declared the due process clause of the constitution had been violated, which brought the case under federal jurisdiction.

Changes in Nashville Company

W. R. Wills, president of the National Life & Accident of Nashville, becomes vice-chairman of the board. C. A. Craig, chairman of the board, is the chief executive officer. Executive Vice-president C. R. Clements becomes president. Vice-President E. W. Craig, who is head of the industrial department is made executive vice-president as is Vice-president E. B. Stevenson, who heads the ordinary department. J. E. Wills, vice-president and assistant manager of the ordinary department, becomes its manager.

Minnesota Bureau's Outing

The rating committee of the Minnesota Compensation Rating Bureau will hold its annual outing June 23-25 at Island View lodge, Gull Lake, near Brainerd, Minn.

Boyle Clark's Committee Lays Down Some More Laws

The Missouri bar committees have published 41 opinions concerning the conduct of the law business. Many of these affect insurance. Boyle G. Clark of Columbia is general chairman of the committees. He has been the most vociferous campaigner in the country for extending the exclusive pasturage of lawyers.

Among the opinions of interest to insurance are:

Lay insurance adjusters may not settle claims, either before or after suit is filed.

Laymen may not appear before the workmen's compensation commission representing other persons.

A layman adjusting fire and casualty insurance claims would be guilty of violation of criminal laws relating to unauthorized practice.

A lawyer may not employ a layman to adjust insurance or other claims.

A lawyer may not accept employment from an insurance adjuster who is a layman and who advertises his business, but if the adjuster is a lawyer he is guilty of solicitation.

A lawyer may not accept employment from an adjustment company which is engaged in unauthorized practice of law.

A lay fire adjuster may not contract to furnish legal services, and a lawyer may not accept such employment.

An attorney may not advertise as an expert fire adjuster.

A lawyer may not advertise in an insurance magazine, a legal directory distributed to laymen, nor a law list guaranteeing the fidelity of its listees, nor may he advertise in a newspaper.

U. S. F. & G. St. Louis Rally

The United States Fidelity & Guaranty and Fidelity & Guaranty Fire are holding an educational conference in St. Louis, May 19-20. Henry Bush, St. Louis manager, will preside. Speakers include R. Howard Bland, chairman of board; P. F. Lee and H. D. Combs, vice-presidents; C. J. Fitzpatrick, vice-president and secretary; O. R. Leeds and J. D. Hall, assistant agency directors, and J. D. Williams, superintendent judicial bond department U. S. F. & G.; Frank A. Ganter, president, and H. F. Ogden, vice-president of the fire company; W. E. Walker, agent at Cape Girardeau, Mo.

Safety Education Movement by New York University

To Establish National Center Under Special Grant of Funds by Casualty Companies

NEW YORK — Dr. H. W. Chase, chancellor New York University, announces a national center for safety education will be established July 1 in the university, under a special grant of funds from the national conservation bureau of the Association of Casualty & Surety Executives. The center will be a part of its division of general education. The new project, first of its kind in the United States, will provide a comprehensive program of information, instruction and research in problems of accident control.

A maximum of 18 research fellowships in safety education, with stipends ranging from \$400 to \$1,200, will be offered for graduate students enrolled in the School of Education during the 1938-39 academic year. Courses will be open to properly qualified graduate and undergraduate candidates for degrees.

Companies' Active Part

It was pointed out at the national conservation bureau offices that stock casualty companies have been active since 1922 in support and development of the child safety education movement. It is felt a major part of the promotional phase of this movement has been completed and consequently the kind of aid which educators require has changed. With the work well established in schools, it was pointed out, the primary need is for persons trained to teach safe practices to young people, safety education methods in teachers colleges, and teachers training courses in universities.

Rates Announced for Two Big Federal Dam Projects

NEW YORK—Rates for contract bonds on two large federal dam projects, bids for which will shortly be received, have been issued by the Towner Rating Bureau. The Shasta Dam in Shasta County, Cal., is estimated to cost \$40,000,000, and to require 2,000 days for its completion. A performance bond of \$5,000,000 and payment bond of \$2,500,000 will be required. Premium rates for the entire term on the contract price for the general contract for performance plus payment bond have been fixed as follows: First \$2,500,000, \$16.80 per \$1,000; next \$2,500,000, \$16.10; next \$2,500,000, \$15.40; over \$7,500,000, \$14.

The second project, construction of the Pensacola Dam and powerhouse and installation of turbines on the Grand river, in northeastern Oklahoma, is estimated to cost \$10,000,000. Performance and statutory labor and material bonds totaling \$15,000,000 will be demanded. The performance bond is fixed at 50 percent of the contract price, and the other bond at 100 percent of the contract figure. Premium rates on the contract price covering the full term for the general contract for performance, plus statutory bond, are: first \$2,500,000, \$12 per \$1,000; next \$2,500,000, \$11.50; next \$2,500,000 \$11; over \$7,500,000, \$10.

Page Warned on Lack of Opportunity 51 Years Ago

Reminiscing recently on the occasion of starting his 51st year with the Travelers, Vice-president B. A. Page had this to say: "In 1863 friends told me, 'You were born too late, boy, to get an opportunity with the Travelers. They have 60 men working there now, and they won't need any more.'"

Casualty Net Premiums and Paid Losses in 1937 in FLORIDA

	Total		All Auto		Acc. & Health		Liab., P. D. & Coll (Not Auto)		Workmen's Comp.		Fidelity & Surety		Plate Glass		Burglary	
	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses
Aetna Cas.	289,877	75,813	100,710	30,039			43,788	9,653	25,502	35,051	43,577	—476	2,000	102	13,152	1,441
Aetna Life	42,105	17,750	1,912	5,615	41,112	11,613	—918	523								
Amer. Auto.	21,859	2,890	21,859	2,890												
Amer. Employ.	80,539	28,309	27,556	9,817	23	8	9,676	4,058	30,666	12,038	4,427		3,143	322	4,606	2,663
Amer. Fld. & Cas.	193,310	77,388	193,310	77,388												
Amer. Fire & Cas.	314,674	130,913	272,239	118,452			4,080	965	38,350	11,494						
Amer. Indem.	44,133	9,679	40,372	9,277							985		141		1,190	
Amer. Mut. Liab.	360,472	106,411	24,687	8,059			39,215	5,000	303,420	93,350			18		129	
Amer. Surety	155,025	14,367	31,371	8,037			8,010	142	28,755	6,640	81,714	—1,137	1,477	191	8,633	450
Arex Indem.	3,009	264	33	163			1,941								1,033	101
Assoc. Indem.	98,465	15,416	15,500	886			6,354	38	73,375	14,466			1,213	25	1,396	
Bankers Indem.	3,302	2,548	2,148	2,500	61		211	7	606	21					262	20
Ben. Assn. Ry. Emp.	8,639	3,638			8,639	3,538										
Bituminous Cas.	15,905								15,905							
Car & General	74,896	22,627	39,568	13,076			6,427	821	22,871	7,874			1,600	256	3,628	594
Central Surety	153,908	64,529	77,322	37,431	1,669	825	7,830	4,705	59,122	14,709			4,782	3,865	1,191	4,096
Columbia Cas.	128,207	31,432	33,126	12,083	2,313	176	19,185	1,186	27,883	9,229	10,794	2,362	3,486	903	9,893	1,268
Commercial Cas.	56,183	19,450	25,150	12,261	19,273	8,549	6,333	15		94			3,215	526	2,210	1,155
Continental Cas.	415,361	100,960	126,952	24,740	35,333	13,325	41,960	4,608	166,984	48,647	22,510	7,200	3,418	700	16,474	1,723
Eagle Indem.	1,146	474	2,832	58	285	39	246		281		1,332	101	47		678	275
Employ. Liab.	210,219	94,099	54,620	7,655	828	379	43,851	46,695	90,516	38,473	6,483	—827	2,789	463	8,863	1,257
Employ. Reins.	74,081	51,589	60,865	40,598	1,684	9,096	1,257		1,200		858		28		8,236	1,895
Equit. Life, N. Y.	22,937	48,161			22,937	48,161										
Excess	94,649	13,082	89,435	13,000			2,040		5,000		175	—7				
Factory Mut.	12,201	1,246	12,201	1,246												
Federal Life	10,715	4,687			10,715	4,687										
Fidelity & Deposit	476,889	161,864	169,176	79,906	15,918	15,836	38,550	8,656	161,176	65,926	55,274	8,424	5,965	1,372	18,553	4,248
Fidelity & Surety	124,507	76,764							118,966	16,403	133				5,406	850
Fireman's Fund Ind.	239,968	89,426	92,026	33,434	4,530	1,490	18,703	2,966	101,906	47,079	10,560	1,853	1,894	441	10,336	2,159
General Acci.	186,964	77,111	75,306	29,713	18,815	7,181	16,586	2,272	59,390	31,778			3,485	635	10,971	5,629
Glens Falls Ind.	11,490	359	6,108		215		907	150	1,494	60	1,470		467	149	826	
Globe Indem.	471,948	120,889	201,780	48,263	2,309	906	40,167	4,010	172,248	47,275	22,555	15,812	3,375	594	20,975	4,024
Great Amer. Indem.	324,746	140,102	111,671	41,464	1,030	95	43,159	25,656	134,083	61,941	15,231	5,238	5,233	367	14,344	6,336
Hdw. Mut. Cas.	39,015	10,833	36,351	10,137			506	275					812	152	1,344	267
Hartford Acci.	606,626	213,172	180,779	100,337	14,570	2,278	65,781	7,508	226,124	88,848	83,666	11,844	4,767	994	30,934	5,907
Home Indem.	5,681	745	4,832	730			469				127		162	15	108	
Indem. of N. A.	209,407	57,712	81,246	27,570	4,255	1,823	24,992	4,981	54,801	16,590	24,760	3,464	4,743	482	14,604	2,706
Inter-Ocean Cas.	45,665	28,657			45,665	28,657										
Liberty Mutual	238,522	65,164	24,280	8,146	147	24	27,920	1,251	185,176	55,590			3		992	148
London Guar.	126,563	35,835	55,519	18,973	864	216	17,689	3,280	43,419	11,859			1,299	288	6,196	974
Lumb. Mut. Cas.	174,092	47,346	89,006	19,631	716	135	5,443	135	71,241	27,040			975	70	3,100	332
Man. Mut. Auto.	27,897	544	27,897	544												
Maryland Cas.	498,238	159,613	148,781	48,718	16,225	9,681	42,848	8,812	223,763	85,218	39,665	4,766	3,546	294	20,066	2,047
Mass. Bonding	41,480	14,883	11,705	1,732	8,207	5,215	3,425	44	5,434	755	8,558	6,706	3,067	426	756	
Mass. Protective	70,315	36,424			70,315	36,424										
Metropolitan Cas.	78,794	23,011	34,313	14,870	19,849	4,917	8,004	978			6,533	308	3,789	805	6,314	1,613
Metropolitan Life	106,276	51,430			106,276	51,430										
Mutual Ben. H. & A.	196,034	76,851			196,034	76,851										
National Cas.	60,994	13,696	17,834	1,890	17,059	7,685	5,447	190	17,799	3,583			600	93	2,251	262
National Surety	109,923	11,704									100,338	11,560	65		9,520	144
New Amsterdam Cas.	119,028	21,309	40,745	11,499	1,757	411	22,521	3,091	32,285	12,157	14,537	8,608	1,343	507	5,834	1,049
New York Cas.	30,071	2,837	15,129	2,545			2,135	150	1,355		7,588	—332	410	24	3,449	460
North Amer. Acci.	31,399	12,998			31,399	12,998										
Ocean Accident	272,295	78,297	96,365	27,682	3,747	1,457	22,555	674	99,871	39,112	2,910	—381	6,414	311	11,515	2,688
Pacific Mut. Life	63,598	94,502			63,598	94,502										
Paul Revere Life	10,350	4,555			10,350	4,555										
Phoenix Indem.	124,732	44,778	61,107	14,176	1,836	1,130	12,365	6,499	40,070	21,441			1,585	295	7,643	1,532
Preferred Acci.	40,065	5,408	31,181	4,294			113				2,405	172	1,437	371	2,703	184
Provident L. & A.	69,274	30,320			69,274	30,320										
Prudential	34,512	8,586			34,512	8,586										
Reliance Life	39,292	14,226			39,292	14,226										
Royal Indem.	48,815	17,363	20,374	6,786	378	39	4,742	189	12,478	4,464	6,913	5,625	910	82	2,190	176
St. Paul Merc. Indem.	2,156						1,444	633	1,280	471						
Standard Acci.	384,759	119,263	101,653	29,859	5,904	5,175	27,535	8,562	198,666	75,439	37,582	—1,999	1,991	245	11,702	3,879
Standard Sur. & Cas.	1,155	825	1,009	825			36		99		3				5	
State Farm Mut.	24,824	4,148	24,824	4,148												
Sun Indem.	79,913	52,712	43,520	36,025	1,174	180	10,332	4,909	18,588	10,596			1,319	356	4,985	241
Travelers Indem.	18,198	9,106	7,108	5,523			1,907	630					800	94	5,335	2,858
Travelers	315,562	118,440	25,380	7,332	156,686	72,372	48,610	3,703	84,885	36,031						
United Ben. Life	5,051	3,870			5,051	3,870										
U. S. Casualty	53,556	5,000	13,958	42	7,447	1,901	5,446	108	19,511	2,819	4,171	—16	925	128	2,722	16
U. S. F. & G.	806,246	257,352	268,094	101,872	20,857	4,036	82,153	13,971	350,948	134,463	131,893	96,687	5,929	942	36,135	5,376
U. S. Guar.	73,116	30,814	46,961	17,975			8,337	4,609			10,602		717	1,248	6,494	6,979
Utica Mutual	9,500	67	9,282	67			218									
Washington Natl. L.	38,735	11,662			38,735	11,662										
Zurich	72,057	25,633	27,426	8,895	12,202	6,438	8,277	1,034	20,947	9,198			343	—11	2,857	76
Totals	10,307,517*	3,492,253*	3,456,598	1,200,964	1,194,144	621,871	862,154	198,342	3,284,493	1,177,910	879,527	217,089	93,539	16,470	363,567	71,950

*Includes totals of classes shown in tables below:

Other Casualty Business in Florida in 1937

STEAM BOILER, ENG. & MACH.			Prem.	Losses
	Prem.	Losses		
Aetna Cas.	\$ —156		Ocean Accident	29,204 6,747
Amer. Employ.	237		Phoenix Indem.	121
Columbia Cas.	21,521	\$ 4,278	Royal Indem.	813
Continental Cas.	1,904		Travelers Indem.	2,044
Eagle Indem.	342			
Employ. Liab.	2,223		Total	\$164,793 \$ 18,535
Excess	—12			
Fidelity & Cas.	12,274	931	SPRINKLER LEAK. & WATER DAMAGE	
General Acci.	1,407		Aetna Cas. & Sur.	\$ 1,268
Globe Indem.	8,533		London Guar.	64
Hartford Steam Boiler.	77,705	6,340	Maryland Cas.	867 \$
London Guar.	1,507	239	Metropolitan Cas.	71 118
Lumb. Mut. Cas.	2,597		U. S. F. & G.	170
Maryland Casualty	2,479			
			Total	\$ 2,345 \$ 189

N. Y. State Health Cover Would Kill A.&H., Says Potter

Insurance Federation Executive Committeeman Urges Fight on Wagner Proposal

NEW YORK—Accident and health producers might as well kiss their business good-bye if the Wagner proposal for compulsory health insurance in New York state goes through, Wellington Potter, prominent Rochester agent and member of the executive committee of the New York Insurance Federation, declared at the producers banquet for those who made their quotas in accident and health week.

The vicious part of the proposal is that it provides for voluntary as well as compulsory insurance, Mr. Potter pointed out. He said it is obvious that enactment of such a proposal in the law would reduce the amount of accident and health insurance written by companies to a very small percentage of what it is now and would mean unemployment for hundreds, perhaps thousands of clerks, agents, underwriters and others as well as a loss of revenue to many brokers in New York state. It would also put New York manufacturers at a disadvantage in competing with concerns in other states.

Tax Inadequate for Benefits

Furthermore, despite the 6 percent tax on wages that would be added to present deductions, the amount taken in by the state would not be sufficient to pay the benefits promised, he declared. It would mean eventually that deductions from employees' salaries would reach a dangerous figure, in view of the deductions already being made for unemployment insurance and the increasing percentage to be deducted for federal old age benefits under the social security law.

Mr. Potter vigorously warned his audience of the danger of failing to mobilize all forces against the Wagner proposal.

"If you hate monopolistic state funds don't go to sleep on this bill," he said. "They went to sleep in Ohio and got a monopolistic state compensation fund. Once they had it, rotten as it is, they couldn't get rid of it. It made a lot of jobs and you can't kill Santa Claus."

Broad Scale of Benefits

The Wagner proposal, which has been submitted to the state constitutional convention now in session by State Senator Wagner, son of the United States senator, provides a broad scale of benefits. There are cash benefits for loss of time after the first seven days of disability, at the rate of 50 percent of the employee's full time wages if he has no dependent wife or children. This is subject, however, to a maximum benefit of \$20 a week, to which is added \$5 a week for dependent spouse, and an additional 5 percent up to \$3 a week for each dependent child, not exceeding four.

The maximum cash benefit is for 156 days aggregate in each 52 weeks. No benefits would be paid where the employee is entitled to compensation insurance benefits. Then there is an extensive provision for maternity benefits and also the right to treatment and hospitalization for illness and injury. The plan provides for all employees receiving wages up to \$50 a week.

Contributions would be divided equally between employers and employees, provided however that employees receiving \$20 a week would not contribute more

than 1 percent of their wages, so that the employer would have to contribute 5 percent. Where the employee is paid between \$20 and \$40 a week he would contribute not more than 2 percent, leaving 4 percent for the employer to pay.

The voluntary insurance privilege attacked by Mr. Potter provides that anyone not coming under the law and below the age of 65 and dependent on his earnings (which must average \$60 a week or less) may come into the plan voluntarily and obtain all the benefits that employees compulsorily insured would receive. Such voluntary cases would pay four-fifths of the proper premium, the state paying the difference between the contribution

of the assured and the appropriate premium.

Mr. Potter urged that everyone interested in fighting the Wagner proposal join the state federation. He said that members should be sought among the office workers and insurance agencies for whom a membership costs as little as \$1 a year.

Warning that the state fund idea is never a dead issue, Mr. Potter pointed out that agents have beaten the state fund in Indiana twice but it can never be said with certainty that it will not come up again. He mentioned the spread of proposals under which the state would take over more and more

of the work now handled by private enterprise and ascribed such "cock-eyed thinking" to the amount of relief money that has been and is still being paid out.

State Insurance a Misnomer

State insurance is a misnomer, he declared, saying that the state cannot guarantee the fund and in this respect is like a Welsh rabbit which, he said, is "neither Welsh nor rabbit but a piece of political cheese masquerading under a fancy name."

Mr. Potter deplored the fact that the insurance business does not make a more

(CONTINUED ON PAGE 35)



■ A Symbol of Strength,
Stability and Consistency
in Underwriting Practices

ADMITTED ASSETS	\$6,252,435.03
CAPITAL	\$1,000,000.00
SURPLUS	\$1,256,413.79
OTHER LIABILITIES	\$3,996,021.24

As at December 31, 1937

★
**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY, MO.

DENNIS HUDSON, President

CHANGES IN CASUALTY FIELD

New General Agency for Great American in Oregon

PORTLAND, ORE.—Harvey Wells, veteran general agent and former Oregon commissioner, has formed a partnership with Fred C. Reed to handle the general agency of the Great American Indemnity in Oregon and southern Washington.

Mr. Reed was for 10 years manager of the bond department of Bates, Lively & Pearson, general agents Aetna Casualty. He is a past president of the Surety Association of Portland and is now president of the Casualty Insurance Association of Oregon.

Phil Lively, who has been with Bates, Lively & Pearson in the marine department, will succeed Mr. Reed with that firm.

Sidney Moritz Is Advanced

Sidney Moritz, heretofore manager at Denver for Fidelity & Deposit, has now been made resident vice-president. He has been manager since 1913. D. D.

Scheib, formerly assistant manager, is now manager. Mr. Moritz joined F. & D. in 1899 as an agent in Idaho Springs, Col. Seven years later he moved to Denver and formed a general agency that operated until 1913.

Goulet Production Manager

Lloyd J. Goulet has been appointed production manager for the Detroit branch of Standard Accident. He has been serving as special agent in the Detroit metropolitan area for eight years. In his new capacity he will serve Michigan agents in Detroit and outstate as well.

Wright Independent Adjuster

S. B. Wright of San Bernardino, Cal., has opened an office as an independent adjuster in the Fleming block there, under the name of the Wright Adjustment Bureau. He was with the Ocean Accident in Chicago for five years and after graduating from the law school of Stetson University, Deland, Fla., he became head of the southeastern claims department of the London Guarantee & Ac-

cident with headquarters at Atlanta. After 11 years in that post he joined the Constitution Indemnity as southeastern manager in Atlanta, remaining there six years. He operated as an independent adjuster in Jacksonville, Fla., and joined the Kern County Adjustment Bureau in California in 1937.

Whyte to San Francisco

Robert Whyte, associate manager of the Fidelity & Deposit in Portland, Ore., for several years, has been made field superintendent in San Francisco.

Opens New Omaha Branch

The Employers Mutual Liability of Wausau, Wis., has opened a branch office at 811 City National Bank building, Omaha, with Dale Snure as branch manager and W. B. Morse as claims manager.

Address With Brown Agency

S. C. Address has been appointed special agent of the Brown General Agency of Seattle. He was formerly claims manager of the Ohio Casualty for 10 years.

Fitzgerald Brooklyn Manager

E. M. Fitzgerald, heretofore superintendent, has now been made manager of

Globe Indemnity's Brooklyn office. H. M. King has been appointed fidelity and surety general agent for Brooklyn with headquarters in the branch.

Savage Agency in New Office

The Savage agency of which M. L. Savage is manager in Rockford, Ill., has taken new space in the Talcott building. This office serves as general agent for Zurich, Continental Casualty and Minnesota Mutual Life. The associates are C. S. Rathbone and L. J. Stebbins.

Rourke to Practice Law

G. W. Rourke, Jr., for the past five years with the claims department of the Aetna Life group, has opened a law office at 935 Dexter-Horton building, Seattle. His father is general agent there of the Aetna Casualty.

H. V. Kinnannon, formerly with Employers Liability in Chattanooga and New Orleans, has gone with the Trinity-Universal at Columbus.

Charles T. Nichols, special agent Springfield Fire & Marine for western Kansas, has established an office in Great Bend at 304 Cork building.

The Rocky Mountain Field Club is conducting an inspection of Casper, Wyo., this week with Harry K. Rogers as the principal speaker.

Stephen M. Young has been elected president of the Progressive Mutual of Cleveland, an automobile writing company.

Crawford Reviews Liability Coverage at "Bosses Night"

DETROIT—The Detroit Insurance Women's League held a "bosses' night" meeting. Better than a quarter of the 300 attendance was made up of agency men and executives.

Armstrong Crawford, president Great Lakes Casualty, spoke on "Public Liability and Why It Changes."

"It changes," Mr. Crawford said, "because it has to do with the economic, legal and business structure of the changing world in which we live. Circumstances have transpired since the previous day which call for new thought and new vision."

After tracing the development of liability for negligence causing injury, Mr. Crawford said most of the improvements in public liability policies have occurred within the last 10 years.

"The present cry when someone is injured," he said, "is 'who can we make pay the damage?' It is developing into a combination of social welfare, charitable obligation and 'soak the rich.'"

He reviewed the nation wide agitation over auto accidents and the attempts being made here and there to make the demanded insurance a cross breed of workmen's compensation benefits and free accident insurance.

New Methods Needed

Mr. Crawford expressed the opinion that the method of calculating public liability rates is antiquated and, while not belittling the work of the bureaus and committees concerned, he compared their work to a dictionary which tells how to spell and how to pronounce "but you can't write an intelligent letter by simply copying words from a dictionary," he declared. There's a big difference, he said, between a reference book and intelligent application of the references. He believes p.l. rates should not be based only on past experience but should also be adjusted as the laws governing liability change.

"Public liability insurance offers wonderful opportunity for research, study and advancement. To me it has a great fascination and with it both romance and adventure. It calls forth the spirit of the pioneer. It requires patience, desire to expand and the intelligent application of time for study. P. L. I. stands not only for 'public liability insurance' but also for 'provides lively interest,' he said.

J. G. Caton, Travelers casualty underwriter, Los Angeles, was married to Terry LeCam of the Travelers office in San Francisco.

AS DEEPLY ROOTED

and

AS STURDY

as an OAK

established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

WORKMEN'S COMPENSATION

Maintain New Jersey Rates

Compensation Bureau Meets—Unit Reporting Plan Discloses High Cost of the Small Risks

NEWARK—At annual meeting here of the Compensation Rating & Inspection Bureau of New Jersey the Lumbermen's Mutual Casualty, U. S. F. & G., Maryland Casualty and the New Jersey Manufacturers Casualty were elected as the governing committee, the latter two companies being reelected.

A. R. Lawrence, chairman and manager, reported that no companies had retired and that four more companies had joined the bureau, the American Casualty, Jamestown Mutual, the Accident & Casualty and the Employers Mutual Liability, making a total membership of 64.

Compensation premiums for 1937 (calendar year) attained a new high level of \$17,782,131 with an incurred loss ratio of 55.1 percent. For five years earned premiums approximate 66 2/3 millions with an over-all loss ratio 54.5 percent and an actual difference of .1 percent between the participating and the non-participating groups. "While the over-all performance seems to have struck a reasonable balance, the peaks and the valleys have been widely separated. A more stable condition, loss-ratio-wise, is eminently desirable; whether capable of attainment depends upon a number of things not readily predictable. Evidently close and diligent attention is required in any event," said Mr. Lawrence.

Kept Within Control

"During the recent period of expanding and improving business the rate level, pitched to a self-sustaining level for depression conditions, was kept within control by a succession of revisions, each effecting a small reduction, prospectively applied, which five adjustments bring the current level approximately 15 percent below the peak. In consequence of such program it has seemed a proper thing to reestablish the same level for a further period of six months, which is the recent action of the governing committee in the customary spring revision, duly approved by Commissioner Reilly for effect June 30. To continue the close check and control, the rate situation will be reviewed again in the fall in the light of developments through the first half of the year."

Mr. Lawrence stated that no sharp adjustments of individual classification relativity have been introduced and that it seems a sound policy that there should be none, generally speaking, but the indications of the various classifications have been under intensive scrutiny and careful adjustment in the light of local experience. Moreover, said Mr. Lawrence, the rate level at manual has been increased somewhat as an offset to the percentage of increased credits estimated to follow from the unbalancing of the "experience rating plan."

Better Experience on Large Units

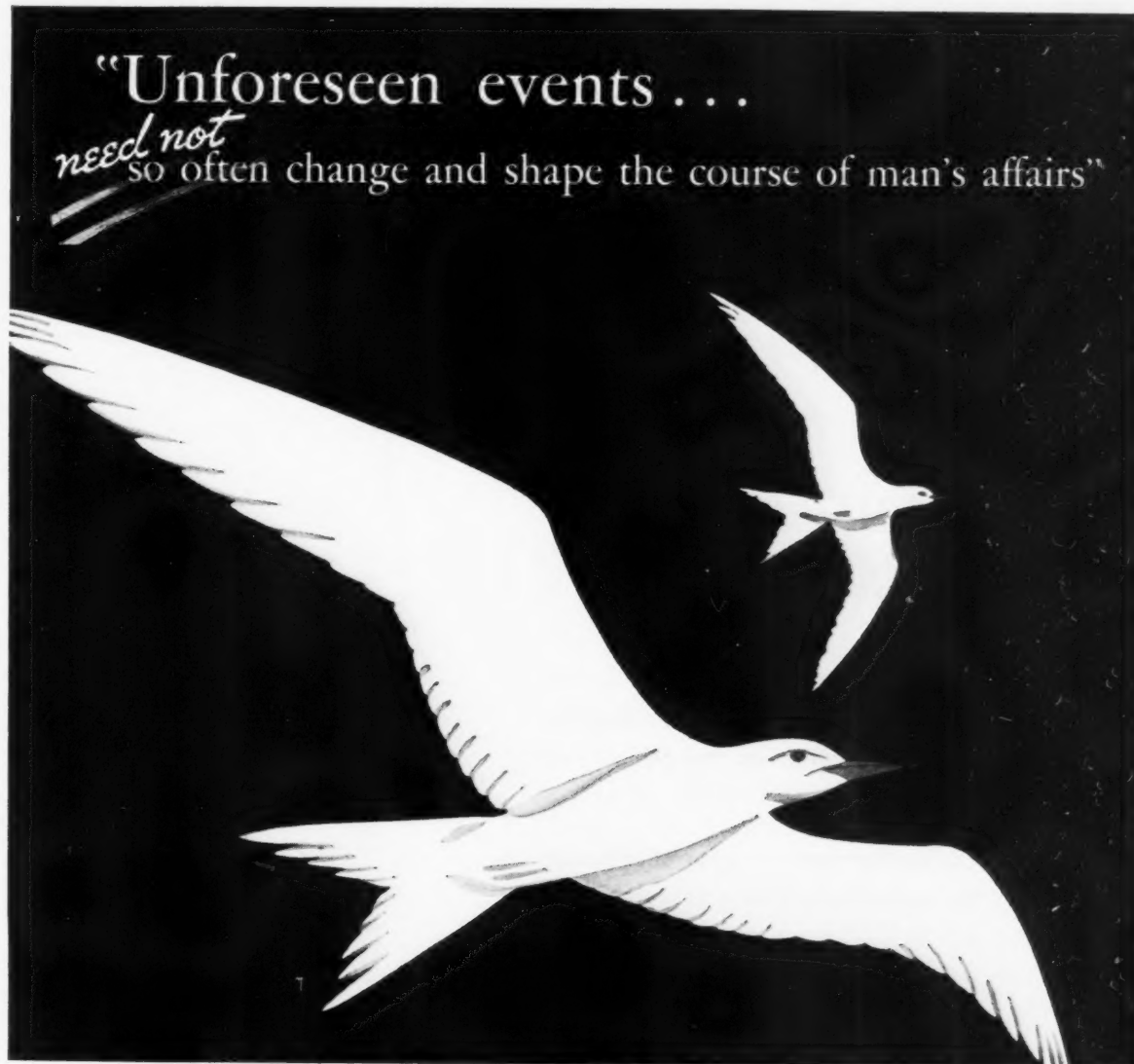
"For the first time data has been available from the 'unit plan of reporting' which has permitted many analyses and studies not heretofore possible," said Mr. Lawrence. "A study of loss ratio by size of risk is perhaps one of the most important of these. Its indications, while not acceptable as conclusive and finally demonstrative, are, nevertheless, highly indicative of a trend of result for which proper compensation is not afforded either by basis or adjusted rates nor from the partial refinement effected by the loss and expense constants. A rising trend of loss cost per dollar of premium was clearly noticeable and most consistently developed as the unit premium size decreased. This condition appeared not only in the

aggregate, but in the broad major groupings of industry and was duplicated in a number of important classifications or compact class groupings of which special studies were made," said Mr. Lawrence.

Two important matters are on the governing committee agenda. Substantial progress has been made on the re-drafting of the statutory endorsement.

This is partly designed to fit in with the standardization program and partly to modernize the instrument consistent with the recent codification of the public statute law of New Jersey now in effect and denominated "revised statutes." The plan for granting coverage to employers unable to secure it for themselves in its six years of operation has "passed from the stage of an experimental emergency procedure and must be accepted as a permanent thing in the scheme of business, to be continued as at present upon a voluntary basis of universal participation with a statutory requirement as

a fairly certain alternative," said Mr. Lawrence. Experience indicates the desirability of considerable simplification for permanent use. "The fact that demand did not diminish but, contrarily, increased both in number and amount of exposure in 1936 and 1937 would seem conclusive evidence of a permanent need. The governing committee has made a careful review of principles and of practices here and elsewhere and a comprehensive revision, consistent with the principles initially laid down by this body six years ago and the authority conferred upon the governing



WHEN IDEAS TAKE WING...

There is a parallel between the history of modern aviation and that of The Maryland. Born about the same time, their objectives seemed in defiance of the nature of things. One sought to overcome gravity, the other to disarm the Future...dream stuff.

That "Unforeseen events need not change and shape the course of man's affairs" was the premise on which The Maryland started business in 1898. Today, ten thousand agents protect Maryland policyholders against almost every hazard of industry, business and the home.

In 1898 two brothers in Dayton studied birds in flight,

convinced that man could fly. A few years later, at Kittyhawk, they proved it. Today their dream is a miraculous reality... swift air liners whisk the traveller in palatial comfort across continents, over oceans and, tomorrow, around the world.

In this, its 40th anniversary year, The Maryland is proud to be a member of the group of forward-looking Casualty-Surety companies whose services have been extended to man's greatest achievement in transportation...conquest of the air. Aviation could scarcely have advanced so swiftly, so surely, so confidently, without this cooperation.

THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE

This Advertisement Appears in FORTUNE • TIME • BUSINESS WEEK • FORBES and BANKING during May.

committee, has been made and is now under consideration and pending approval by the New Jersey insurance department."

Compensation in N. J. in 1937

Workmen's compensation premiums written in 1937 in New Jersey totaled \$17,714,493, with losses paid \$8,234,533. The New Jersey Manufacturers Casualty led in premiums with \$3,167,846 and paid losses \$1,424,660. The Travelers was second with premiums of \$1,765,865 and losses \$773,801. The Liberty Mutual received \$1,616,476 with losses of \$712,265 and the American Mutual Liability \$1,523,062 with losses of \$733,254. These were the only companies writing over \$1,000,000. The premiums for 1936 totaled \$15,051,278 with paid losses of \$6,878,830.

Nebraska Ruling on Rejection

LINCOLN, NEB.—Attorney-general Hunter has ruled that a rejection of the workmen's compensation act filed by an employer applies solely to the employer to whom it is directed. The act provides that both employer and employee are subject to it and their contract of employment is presumed to have been

made with reference to and subject to its provisions. Insuring of employees by an employer is held conclusive proof that the employer and his employees are bound by the act, except where the employee makes his election, in which case it is only applicable to the employer upon whom he serves notice.

Reduce Oregon Rates July 1

SALEM, ORE.—Rates on 52 classes of industry operating under the workmen's compensation law will be reduced July 1, the industrial accident commission announced. The reduction is estimated at more than \$100,000 a year.

Seek to Knock Out Pa. Law

Six anthracite coal operators have started new proceedings in Pennsylvania to invalidate the 1937 amendments to the compensation law, greatly increasing the benefits. These operators have started equity proceedings in the Dauphin county court at Harrisburg, to restrain Secretary of Labor Bashore from enforcing the provisions of the act. If the act is enforced, the coal operators say, they will have to deposit millions of additional securities to qualify as self-insurers.

ALL RISK PUBLIC LIABILITY INSURANCE

Comprehensive Public Liability Insurance removes the penalty of chance.

Neither you nor your clients can outguess tomorrow's catastrophes.

Great Lakes Casualty Company
Detroit, Michigan

EXCESS COVERS — REINSURANCE

EXCESS UNDERWRITERS, Inc.

JOSEPH P. GIBSON, JR.
PRESIDENT

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90 John Street

New York, N. Y.

ACCIDENT AND HEALTH

Stress Number of "Apps"

Emphasis on New Policyholders Rather Than Premium Volume Urged at Chicago Association Meeting

The desirability of laying stress on new policyholders and number of applications rather than premium volume was stressed by C. H. Davis, Pacific Mutual Life, in the round table discussion of agency management problems at this week's meeting of the Chicago Accident & Health Association.

"We should show that we are interested in policyholders and in the frequency of applications," he said. "If an agent gets a sufficient number of applications, the volume automatically takes care of itself."

He said in his opinion one of the good features of the Hoodoo Day campaign is that it gets agents to concentrate on number of applications and forget about the volume. His suggestion was heartily seconded by C. T. Redfield, Mutual Benefit Health & Accident, who declared that if an agent has plenty of policyholders, he will get more.

Use of Inquiry Cards

Mr. Redfield also told of the excellent results obtained by his agency in the distribution of inquiry cards, particularly along the line of the desirability of the prospects thus developed and the large average premium on the policies sold in this way. Experiences in the use of cards and of newspaper advertising were reviewed by H. G. Rockwood, United; A. H. Reed, Fidelity Health & Accident; T. B. Howard, Income Guaranty, and Harold R. Gordon, executive secretary Health & Accident Underwriters Conference.

Mr. Davis described a plan used in Atlanta to get agents to work, which involves the investment of \$10 in 10 new \$1 bills. One of these bills is sent out in a letter suggesting that it would be nice to have 100 of these coming in each month during a period of disability and stating that the agent will call in a few days to pick up his dollar. Mr. Davis said that this plan assured the selection of responsible people to whom the letter and dollar will be sent and also makes it necessary for the agent to call within 24 hours. If he waits longer than that, the letter will have lost its appeal. One man worked this plan for six months, sending out a new dollar bill for each one he picked up, before he lost the last dollar of the 10 and in that period had sold 67 cases.

Organized-Selling Urged

R. H. Wienecke of Stewart, Keator, Kessberger & Lederer closed the discussion with a brief presentation of the necessity for getting men into the habit of organized selling and suggested an adaptation of the package sales talk used by life insurance men.

Mr. Gordon, who is chairman of the general committee in charge of Accident & Health Insurance Week, reviewed briefly the sessions he attended that week in Detroit, Philadelphia and New York, and outlined the program for the conference meeting in Chicago next week.

Harold L. Bredberg, National Service & Appraisal, reported on the observance of the week in Chicago, in the absence of A. D. Anderson, Continental Casualty, chairman of the committee, who is quite ill. The association voted to send a letter to Mr. Anderson in appreciation of his work and expressing hope for his speedy recovery. Mr. Redfield, who is executive secretary of the National Accident & Health Association, told of the plans for its convention in Cleveland June 2-3.

President Dubach appointed as members of the nominating committee to report at the June meeting Mr. Davis, Mr.

Redfield and E. H. Ferguson, Great Northern Life.

McClintock to Ohio State, Heads Accident Department

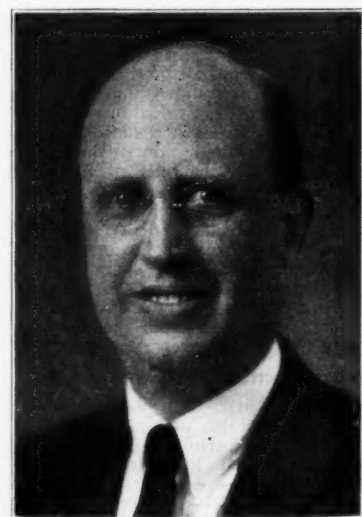
The Ohio State Life has appointed T. T. McClintock manager of its accident department, succeeding George O. Tomlins, who on the advice of his physician is moving to Seattle to take a similar position with the Northwestern Life & Accident. Mrs. Tomlins also has not been in the best of health and it is believed that the change in climate will benefit both of them.

Mr. McClintock, after two years at Drake University, entered the University of Iowa, graduating in 1927. He went with the Lincoln National Life in the underwriting department, resigning in 1930 to join the Columbian National Life. He became head of the stenographic department, organized and supervised the policyholders service department and later became senior accident underwriter and member of the life underwriting and claims review committee. In 1935 he was appointed manager of the accident department, and in February, 1937, he was elected assistant secretary in charge of the accident, stenographic and policyholders service departments.

Richmond Hospitalization Organization Is Expanding

The North America Assurance of Richmond, Va., specializing in hospitalization insurance, which has been operating in Virginia since it was organized six months ago, is planning to enter West Virginia and Maryland and other adjacent states. It is a non-stock institution under supervision of the Virginia department. St. George T. Grinnan, Jr., the secretary, was for some years with the Richmond agency of the Equitable Society. Mr. Grinnan also supervises the Richmond district office. Twenty-two district branch offices

Goes to Seattle



GEORGE O. TOMLINS

George O. Tomlins, who has been manager of the accident and health department of the Ohio State Life, Columbus, O., has resigned to take a similar position with the Northwestern Life & Accident of Seattle. Mr. Tomlins has been in managerial work in the accident and health field in Ohio and the central west for many years and is well known among accident and health men.

have been established in the state with upwards of 300 agents. The society has 15,000 policyholders in Virginia, according to S. B. Woods, superintendent of agencies and home office manager, who was formerly home office representative of the group department of the Aetna Life. He has also been with the Continental Casualty and other companies.

Have Had Group Experience

A. P. Woods, one of the vice-presidents, was formerly state manager group department Continental Casualty and recently special group representative Provident Life & Accident. R. U. Woods, another vice-president, was formerly home office representative group division Aetna Life, supervisor of group department Provident Life & Accident, southeastern manager Continental Casualty, southeastern representative Protective Life of Birmingham.

Industrial Insurers Hold Annual Meet in Florida

Frank P. Samford, president Liberty National, was elected president of the Industrial Insurers Conference at its annual meeting at Ponte Vedra Beach, Fla. The discussion centered on the public relations program and the industrial agents-company relationship under the social security act.

William Wallace, president Palmetto State Life and chairman of the statistical committee, reported that both accident and health claims and deaths were up from 1936, with a premium income of \$22,226,172 in 1937 and \$21,581,165 in 1936. The health and accident claim ratio was 38.62 percent in 1937 and 36.85 percent in 1936. In 1937 the death claim ratio was 5.68 percent compared to 6.89 percent in 1936 on accident and health policies.

B. L. Tatman, president Reliable Life, was elected vice-president and H. E. Johnson, Inter-State Life & Accident, secretary-treasurer. The executive committee includes H. T. Dobbs, president Industrial Life & Accident; E. T. Burr, Durham Life; C. A. Craig, National Life & Accident; P. M. Estes, Life & Casualty; P. W. Jones, Bankers Health & Life; A. B. Langley, Carolina Life; W. N. Culp, Southern Life & Health; J. M. Drake, Empire Life & Accident; J. R. Leal, Inter-State Life & Accident; F. F. Leith, People's Life, District of Columbia; O. E. Starnes, Superior Life, North Carolina; W. B. Clement, Pilot Life.

Pacific Mutual Sets Record

The Pacific Mutual Life broke all records for Accident & Health Insurance Week, with 1,310 new accident and health applications written. All divisions showed an increase over last year's figures. The commercial department showed 900 new applications for the week, 13 percent over 1937 and 300 percent above the average week's production. C. O. F. Werley of Allentown, Pa., led with 23 applications. Hazel Roberts of Dallas had 18, I. M. Alexander of San Antonio 17, C. G. Standeford, Fresno, Cal., general agent, and Fred Hirsch, Dallas, 15 each.

New Occupation; Recovery Cut

The change of occupation clause in the personal accident policy was held to be effective by the United States circuit court of appeals for the ninth (California) district, in Funk vs. Aetna Life.

The assured was drowned while fishing. His occupation was stated in the policy to be "tool checker, office and traveling duties," and he was classified as "preferred."

Aetna Life alleged that later the assured, without notice to the insurer, changed his occupation to that of an oil well pump man, which grades "medium" occupation, whereunder the maximum death benefit is \$2,000.

"Ad" Campaign Gets Results

Featuring the slogan, "Hospital Insurance Comes to —" (name of city), the North American Life & Casualty of

N. Y. Group Hears Attack on Compulsory Health Cover



WELLINGTON POTTER

About 225 attended the annual producers banquet of the New York accident and health committee. J. F. O'Loughlin, Royal Indemnity, was toastmaster.

Wellington Potter, prominent agent of Rochester, N. Y., spoke in opposition to the Wagner proposal for compulsory health insurance now before the New York constitutional convention. He said the insurance companies are performing the service adequately.

Other speakers were W. T. Hammer, Commercial Casualty, chairman New York Accident & Health Week committee, and Winthrop Rockefeller, executive vice-chairman Greater New York Fund.

Minneapolis achieved fine results in a carefully prepared advertising campaign in daily newspapers. Prior to publication in each city, a representative of the company has carefully obtained hospital data, thus localizing the reader appeal. Following a campaign in a few Minnesota cities, exclusive of the Twin Cities and Duluth, the home office received 400 applications in one day. A. J. Giebel, manager of the accident and health department, is working closely with President H. P. Skoglund in obtaining these fine results. The campaign is being staged in Minnesota, Wisconsin and North and South Dakota. The Milwaukee advertising was timed to coincide with the annual meeting of the Wisconsin Medical Association and created wide comment at that gathering. R. F. Scofield, Milwaukee district manager, reported an unprecedented number of applications for this new form of hospital insurance.

Boston Claim Men Elect

BOSTON.—At the Boston Life & Accident Claim Association's annual meeting the following officers were elected: President, John W. Ayer, New England Mutual Life; vice-president, H. H. Noel, Equitable Society; treasurer, George R. Bacon, Massachusetts Accident; secretary, W. K. Hitchcock, Royal Arcanum.

E. D. Millea, president International Claim Association and assistant chief of the claims division of the Equitable Society, spoke on "Cooperative Opportunities of the International Claim Association." President W. A. Robinson, Employers Liability, spoke on "The Advantages of Loyalty and Cooperation Among and by Claims Departments of Insurance Companies."

There were more than 50 members present and at the head table were 12 past presidents of the local association, including Mr. Millea, the first president of the local group, which he helped organize when he was with the Equitable in Boston; Frank Rabbitt, Royal

Indemnity; L. B. Pinckney, United States Fidelity & Guaranty, and Peter E. Tumblety, Columbian National Life.

Scofield in New Quarters

R. F. Scofield of Milwaukee, district manager North American Life & Casualty of Minneapolis, held "open house" at his new quarters at 207 East Michigan street in that city. A number of insurance offices have in the past year moved to that location. The new North American quarters occupy several times their normal space. Just a year ago Mr. Scofield opened a small office with two agents. Today he has 21 full-time men. The new hospital policy recently issued has attracted many new agents and, contrary to expectations, this policy has not overshadowed other forms of life, health and accident. It has, in fact, stimulated production on all forms.

Welton Made Ohio Manager

The Business Men's Assurance has appointed E. W. Welton, now of Louisville, as the new manager for Ohio. Mr. Welton has been with the B. M. A. for 16 years. His first year with the company he ranked among the leading producers, qualifying as director of the Grant Club, its honor organization, and again the next year. In 1925 he was appointed joint manager for Tennessee

and the following year was given the responsibility of building up the company's business in Kentucky. In May, 1930, a fully equipped branch office was opened in Louisville, with Mr. Welton as manager. At that time there were no B. M. A. salesmen or policyowners in the territory, but since that time he has developed a splendid organization entirely by his own efforts.

Standard S. & C. Names Nubel as Vice-president

NEW YORK—John F. Nubel has been selected as vice-president of Standard Surety & Casualty. He will have supervision over underwriting and business production in association with President J. A. Kelsey and Vice-president G. Z. Day. He is well known in casualty underwriting circles. He started with Royal Indemnity in 1911 and later was given the management of its New York city office. In 1925 he established Nubel Underwriters, Inc. Last year he joined Globe Indemnity as production manager for the metropolitan department.

The Central Insurance Corporation, Baltimore, general agency, 7 East Redwood street, has been incorporated by A. M. Kreidmann and Doris E. Newman.

A Break FOR MR. BURGLAR

Good times are ahead for house-breakers. Empty homes and apartments — empty because of the going-places urge of the vacation season — are going to send many a burglar back to steady work . . . Ohio Casualty agents are busy safeguarding their clients' welfare by selling them Residence Burglary & Robbery Insurance before their annual holiday.

Rates are reasonable, the commission liberal and now is the pre-vacation time to sell it.

Full details, on request. If in unassigned territory, why not write today?

THE OHIO CASUALTY INSURANCE CO.

HOME OFFICE

HAMILTON, OHIO

Automobile Accident

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Liability

Plate Glass

Burglary

Fidelity and Surety Bonds

CASUALTY ASSOCIATION NEWS

W. C. Schryver Is Honored

U. S. F. & G. Co-manager in Newark Celebrates 25 Years in That Post and 46th with the Company

NEWARK.—In recognition of his 25th anniversary as manager of the Newark branch office of the U. S. F. & G., Walter C. Schryver of the firm of Schryver & Geyler was tendered a testimonial luncheon by the Casualty Underwriters Association of New Jersey. He was presented a traveling bag and a scroll which praised him for his excellent work in the casualty field.

The observance had a double significance for Mr. Schryver, as he has also completed 46 years' association with the company. Born in Baltimore, he entered the company's home office in 1898 and was later transferred to its New York office, where he rose to assistant treasurer. This post he filled until 1912, when he became co-manager in Newark with John R. Geyler.

Mr. Schryver is a veteran in the casualty managerial ranks of New Jersey, a charter member of the Casualty Underwriters Association of New Jersey, a past president and for 15 years a member of its legislative committee.

Finds No Aviation "Participation"

In *Swasey vs. Massachusetts Protective Association*, the United States circuit court of appeals for the 9th circuit (Arizona) construed the "participation in aviation" clause against the insurer.

The insured and three others were killed in a plane crash while returning from Douglas to Phoenix, Ariz. Odneal was the owner of the plane and had a

license for commercial passenger carriage except at night. None of the others knew anything about flying. They went from Phoenix to Douglas in connection with a chamber of commerce activity. Odneal agreed to transport the three others who were to pay for the gas and oil. The court held that this constituted a contract for carrying the assured as a passenger for hire and was none the less so because Odneal violated his license and flew with the deceased at night.

There is no evidence that any of the passengers had anything to do with the operation of the plane or the choice of route. There was no such "participation in aviation" as to come within the exception to coverage, according to the court.

Arising out of the same accident was the case of *Marks vs. Mutual Life of New York*. The appellate court gave judgment for the beneficiary for double indemnity.

Los Angeles Adjusters Meet

LOS ANGELES.—At the meeting of the Southern California Casualty Adjusters Association, Chairman Patterson of the index committee reported that the index now has 30 contributing companies and that consideration is be-

ing given to a plan to turn the management over to the operating companies.

C. A. Horrworth, public relations director of the All-Year-Club, told of the tourist business as the second largest source of new money for southern California.

Chicago Adjusters Meet

The Casualty Adjusters Association of Chicago at a dinner meeting heard Dr. Charles N. Pease, x-ray authority, discuss "Spine Injuries and Fractures of the Spine." Dr. Pease reviewed various cases, discussing both medical and non-medical aspects. He gave much information of practical value to adjusters in settling claims as referred to them. Hugh C. Dillon, Chicago Motor Club, presided.

Boston Golf Tournament

BOSTON.—The Boston Association of Casualty Executives will hold its annual summer outing and golf tournament on June 8 at the Sandy Burr Golf Club in Wayland, with George Potter, Liberty Mutual, in charge.

Illinois Mid-Year Meeting

The Illinois Association of Casualty & Surety Field Men is holding a mid-year meeting at the Jefferson Hotel in Peoria May 24 at 6:30 p. m. W. R. Purtell, Maryland Casualty, Chicago, the president, will be in charge.

FIDELITY AND SURETY NEWS

Wisconsin Test Case Decided

Tavern Keeper's Bond Held to Be Indemnity Only by Decision of Supreme Court

MADISON, WIS.—Reversing two earlier decisions, the Wisconsin supreme court held that tavern keepers' bonds in this state are bonds of indemnity only, a decision that means millions of dollars to insurance companies involved. The ruling was in a test case against the St. Paul-Mercury Indemnity brought by the state of Wisconsin.

In previous decisions the supreme court had held that tavern keepers' bonds were for liquidated damages and that upon any breach of law by a tavern keeper, no matter how trivial, the entire amount of the bond, usually \$1,000, was forfeited to the state. Approximately 1,000 suits were initiated against the bonding companies and the state expected to collect a minimum of \$3,000,000. It was agreed the St. Paul-Mercury suit should be a test case for all others.

Inaccuracy in Comment on "Discovery" Bond

The American Surety has called attention to an inaccuracy in comments on the new "discovery" form of fidelity bond in the issue of April 21. This is the bond which covers losses discovered during the life of the bond, instead of basing protection on losses which actually occur while the bond is in force.

The article assumed that an employer

carried \$5,000 fidelity coverage under an older fidelity form, with a three-year "cut off" clause, and replaced this with a "discovery" bond in the same amount. Before the expiration of the "cut off" period, the employer discovered a loss of \$6,000 caused by an employee covered under both bonds. The article stated that the old bond would be liable for \$5,000 and the new "discovery" bond for the balance of the loss. However, the "discovery" bond provides that it shall not be liable for any loss recoverable under a superseded bond and discovered within the "cut off" period of that bond, unless the amount of insurance under the "discovery" bond exceeds that under the old bond. In that event, the "discovery" bond is liable for the excess loss, but for not more than the excess of the "discovery" bond over the old bond. Hence, in the example discussed, the employer could not recover anything under the "discovery" bond. If the "discovery" bond had been written for \$6,000, the employer could recover the additional \$1,000 loss.

Action in the Scruggs Case

The Oklahoma City board of education will file in federal court a suit jointly against the First National Bank & Trust Co. and five surety companies to recover loss caused by misapplication of assets by Ray M. Scruggs, former treasurer of the board and a vice-president of the bank. The surety companies have a total liability of \$400,000. The surety companies previously filed a petition to enjoin the board from entering into an agreement by which the bank would underwrite the entire loss and then file against the sureties.

Fidelity Talks to Service Clubs

Manager A. C. Supplee and Assistant Manager Herbert Nickles of the U. S. F. & G. in Pittsburgh have been giving a series of talks before meetings of the Kiwanis, Rotary, Lions and other service clubs throughout their territory on the desirability of fidelity bond protection. The basis for these talks is the information contained in the booklets "1001 Embezzlers" and "400 Women Embezzlers."

Henri Berri, local agent, died in Durango, Colo. He has been active in insurance for more than 40 years.

Casualty Company Activities

Automobile Accidents Fewer

President James S. Kemper of the Lumbermen's Mutual Casualty Reports at the Annual Meeting

Although declining payrolls are having an adverse effect on compensation insurance premiums, the total premium income of the Lumbermen's Mutual Casualty of Chicago the first quarter was ahead of the same three months of last year, James S. Kemper, president, said at the annual meeting. Profits during the period were also satisfactory, Mr. Kemper said, with loss ratios on both automobile and compensation insurance relatively favorable.

Decrease in Accidents

"Serious automobile accidents have shown a marked decrease so far this year," Mr. Kemper stated. "We believe that this decline is due primarily to the fact that the nationwide agitation for safer driving has at last had its effect."

"Increasingly we see evidence of the immediate reduction in accidents which communities can effect by installing efficient methods of traffic control and enforcement programs aimed particularly at the fast driving which is such an important factor in the present accident toll," Mr. Kemper stated. "The fact that certain states and communities have slashed their accident rates drastically through these methods has justified the program we undertook several years ago through our Foundation for Traffic Police Training at Northwestern University's Traffic Safety Institute and through the 'Not Over 50' club."

H. J. Pelstring, secretary Pennsylvania Lumbermen's Mutual Fire of Philadelphia, was elected a member of the advisory board. Frederick Pier, manager of the Los Angeles office, has been made resident secretary of the Lumbermen's Mutual and American Motorists. R. C. Merritt, midwest superintendent of agencies, and John D. Ring, district claims manager in Boston, were made assistant secretaries of both companies.

Senate Passes Charter Revival

BOSTON.—A bill which would allow the Myles Standish Mutual Casualty to revive its charter rights, which expired Nov. 12, was passed by the Massachusetts senate and has gone to the house. The promoters of the company were unable to get former Commissioner DeCelles to give his word of approval to allow the company to start up in business last fall with the result the charter expired in the statutory limit of one year. A spirited hearing was held on the matter before the committee on insurance in February of this year at which the former commissioner was accused of displaying personal antagonism in his dealings with the organizers of the company.

Car & General in Minnesota

The Car & General, London, has been licensed in Minnesota. The Fred L. Gray Co., Minneapolis, has been appointed general agent.

The **Arex Indemnity** has been licensed in British Columbia.

U. S. F. & G. Spring Course Ends

BALTIMORE.—The spring session of the home office school of U. S. F. & G. was brought to a close with a luncheon, when President E. Asbury Davis presented diplomas to the 12 students who had satisfactorily completed the course.

Fourteen enrollments for the summer session, which begins in July, have already been received. The number must be limited.

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*Inter-Ocean's
Year of Greatest
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The Inter-Ocean is naturally proud, on its thirty-fifth birthday, not so much because of mere attainment of that age but more because of the fact that each year from 1903 to 1938 has been a year of real progress.

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Executive Offices:
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35th Anniversary

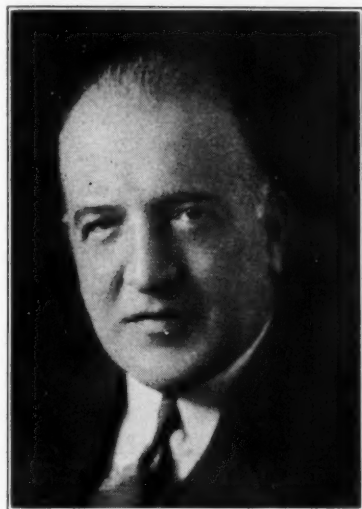
Opportunities for Salesmen in

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*** NORTH AMERICAN ACCIDENT INSURANCE COMPANY • 209 SO. LA SALLE STREET CHICAGO**

Insurance Leaders Fete Frederick Richardson



W. J. GRAHAM

NEW YORK—When Frederick Richardson, United States manager of General Accident for the past 22 years, sails May 25, to assume greater responsibilities as deputy chairman at the head office he will bear the cordial good wishes of the underwriting fraternity of this country.

The many manifestations of good will were climaxed by a dinner tendered by a group of insurance leaders at the Metropolitan Club here.

W. J. Graham, first vice-president Equitable Society, who had been associated with Mr. Richardson in the activities of the Insurance Institute of America, served as toastmaster, and was felicitous in his introductions. O. E. Lane, president Fire Association, spoke on "Richardson, My Neighbor," and Edson S. Lott, chairman United States Casualty, on "Richardson as Competitor."

British Consul Speaks

Short talks were made by Superintendent Pink and by Sir Gerald Campbell, British consul in this city. Mr. Richardson responded with his characteristic touch of good humor, sentiment and wisdom.

Mr. Lane emphasized that Mr. Richardson has always retained a warm affection for the land of his birth, as well as loyalty to this country.

Mr. Lott was able to turn the tables on Mr. Richardson, for just last fall Mr. Richardson gave an historical sketch of the guest of honor at Uncle Edson Lott's birthday party. Mr. Lott spoke of the inability of the bureau companies to persuade Mr. Richardson to join the organization. But he admitted that the independent course pursued by General Accident had been remarkably successful with net underwriting profit in the United States exceeding \$1,250,000 last year.

Sir Gerald, who has known Mr. Richardson 18 years, sustained his reputation as a witty and profound speaker. He stated that through the association of such men as Mr. Richardson the friendly relations existing between Britain and the United States, are sure to be strengthened.

Tribute to the ability and the personality of Mr. Richardson was paid by Mr. Pink. Messages were read from company executives who were unable to be present. J. A. Beha, who served as chairman of the dinner committee and was to have acted as toastmaster, could

not attend because of illness. A telegram of sympathy was sent to Mr. Beha at the suggestion of W. E. McKell.

Mr. Richardson said his "job in this country," was due to L. S. Senior, now manager of the Compensation Insurance Rating Board, but who in 1915, as an attache of the New York department, discovered such conditions in the industrial accident line, as induced the head office of General Accident to send Mr. Richardson to America to revamp the business. How well he succeeded the record shows.

Mr. Richardson told of his interest in educational work. Humorously, he mentioned that following a lecture he delivered before the Hartford Insurance Institute at the suggestion of Norman Moray long ago, the organization "folded up" until revitalized by E. R. Hardy, five years later.

Among the hundred or so at the dinner were T. H. Hall, Canadian manager of General Accident, and R. Leighton Foster, general counsel Canadian Life Insurance Officers Association and former Ontario insurance superintendent.

N. Y. State Health Cover Would Kill A. & H., Says Potter

(CONTINUED FROM PAGE 29)

effective bid for the public's good opinion through public relations means. Likening the insurance business to Gulliver and the Lilliputians, he said that the insurance business is tied down by tradition, authority, lack of cooperation between home office and field, suspicion, wrangling in public, insufficient study of its marketing problem, dog-eat-dog competition, the public's notion that the insurance business is a racket, advertising of the calendar and blotter variety or a mere statement of assets and liabilities; and failure to tell the American public the basic facts about insurance in language they can understand.

Importance of Agent's Role

As to the importance of the agent's role, Mr. Potter pointed out that when the government offered its war risk insurance to the men in the service it was necessary to put on all sorts of promotional campaigns in order to get them to take the best insurance plan which had ever been devised and at extremely reasonable rates. Then, after the war, notwithstanding the excellent quality of what they had, so many dropped their war risk insurance that \$38,000,000,000 of the original \$48,000,000,000 insurance in force was dropped mainly because there was no insurance agent between the man and the contract. The result was that when 12 ex-service men were killed in the Wall street bomb explosion only two had war risk insurance.

Sir Gerald Well Known

NEW YORK—Sir Gerald Campbell, shortly to be transferred from British consul general in this city to British high commissioner in Canada, is well known to and popular with many insurance executives. He was one of the guest speakers at the dinner to Frederick Richardson last Thursday, his humorous talk making a distinct hit.

One-Year Exclusion Valid

The California district court of appeals, third appellate district, has held that the provision in a policy of Mutual Benefit Health & Accident excluding death benefit in a personal accident policy during the first year the contract is in force is valid and is not in violation of the insurance code section. That portion of the policy, according to the court, is an integral part of the provision itself and is not a limitation of the promised indemnity. The provision does not reduce an indemnity but entirely excludes a risk.

PERSONALS

Death claimed Harry A. Reiss, assistant superintendent of agencies of the American Surety and New York Casualty, at his home in St. Albans, N. Y., following a short illness. He had been with the American Surety for 37 years, starting as an office boy in 1901. Displaying a particular aptitude for field work, he was appointed eastern district special agent in 1914 and was advanced to assistant agency superintendent four years later. In the capacity he gained a wide acquaintance among business producers the country over.

The North American Life & Casualty of Minneapolis is sponsoring a soft ball team in the Twin City Diamondball League. H. P. Skoglund, president, is an ardent ball fan and the team has

achieved "top standings," having defeated some of the star teams of the Twin Cities.

E. Asbury Davis, president United States Fidelity & Guaranty, has been elected a director of the Central Savings Bank of Baltimore.

Sherman S. Leseth, Illinois special agent for Glens Falls Indemnity, is back on the job after having been away for several months, recovering from the effects of a brain operation.

Edward C. Stone, United States general manager and attorney for the Employers Liability, left Boston for one of his periodic visits to the home office in London.

Mrs. J. Arthur Nelson, wife of the president of the New Amsterdam Casualty, died at her home in Roland Park, May 13. She had been ill for a long

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E. D. COBURN
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Wm. P. Rollins, Inc.....	130 E. Washington Bldg.....	Indianapolis, Ind.
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C. F. Crist & Co.....	114 W. 10th Street.....	Kansas City, Mo.
Walsh Insurance Agency.....	Webb-Crawford Bldg.....	Birmingham, Ala.
Hicks-Brady Company.....	Harry Nichol Bldg.....	Nashville, Tenn.
R. A. Hesse.....	721 Pierce Bldg.....	St. Louis, Mo.
T. H. Macanar, Inc.....	City National Bank Bldg.....	Omaha, Nebraska
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time, her condition becoming so critical that Mr. Nelson hurriedly left the annual meeting of the Association of Casualty & Surety Underwriters in New York, May 3, to be at her bedside.

Edward J. Nitz, 57, independent broker in Chicago, an outstanding producer of accident and health insurance, was found dead in his automobile from carbon monoxide fumes. He had been in poor health for several years. Mr. Nitz was a star producer for the Midland Casualty in Chicago for many years, starting in 1910. He joined the Great Northern Life in 1933 when that company took over the Midland Casualty. Later he became an independent broker, having his office with the U. S. F. & G. in Chicago. Mr. Nitz was a charter member of the Black Cat club and turned in 33 applications on Hoodoo Day one year. His business was always of high quality, having an extremely low lapse ratio.

L. L. Graham, director of field service Business Men's Assurance, celebrated his 25th year with the company. He has been continuously connected with claim work and until 1934 was chief adjuster. In 1934 he was elected a director. He is a past president of the International Claim Association and for the last 11 years has been secretary.

B. D. Lecklider, president Ohio Casualty, Hamilton, O., is being urged to run for the Democratic nomination for lieutenant governor.

Personal Accident Bureau Holding Annual Meeting

(CONTINUED FROM PAGE 25)

tistical committee, in his report called attention to the fact that loss ratios on commercial policies dropped 20 points below the 1931 level of 61 percent. He said:

"It is evident that during the past three years accident loss ratios were subnormal, especially accidental death loss ratios. Accident loss ratios run in cycles, and undoubtedly were at the low point during 1936 and 1937 and underwriters predict that these low loss ratios will not continue. In fact, several companies experienced a sharp increase in accident loss ratios in the first quarter of 1938."

Volume of premiums on policies containing medical reimbursement feature increased steadily each year and in 1935 represented approximately one-third of total premium volume. He said total loss ratios on non-medical reimbursement policies and those having medical reimbursement feature were very close in 1935 and indications are the present rates for both types of policies are adequate.

Urges No Manual Change

Logan Bidle, Aetna Life reported for the committee on manuals that after thorough review of all available data and lengthy consideration of the subject, it was agreed by the committee there should be no general manual revision until experience for 1936 has been tabulated. A reason for this conclusion, Mr. Bidle reported, was that because experience available includes the adverse years 1931-1932, experience of six years instead of the usual five would be preferable.

He said in view of satisfactory progress being made by all member companies and satisfactory manner in which the manual is filling requirements, it would be unwise to make a general revision at this time. If this program is followed, a new manual will be ready for distribution the latter part of 1939 or early part of 1940.

George Goodwin, Connecticut General, chairman underwriting committee reported for that body.

J. F. Lydon, Ocean Accident, chairman governing committee, in his address said on the whole, 1937 was a good

year for accident and health business, both from a volume standpoint and claim-wise, despite the recession in the later months. Volume of accident and health business written by stock casualty companies, legal reserve life companies and mutuals was over \$189,000,000 as against \$172,649,000 in 1936, according to published figures, he said. Of this amount, stock casualty companies and legal reserve life companies wrote \$147,855,000, compared with \$133,497,000 in 1936; increase \$12,000,000.

Four joint committee meetings have been held, and many sub-committee meetings.

"Until the standardized program became effective we never had enough statistical data to guide us in building our policies," Mr. Lydon said. "Thanks to the statistical committee we have been collecting and will continue to collect tangible experience that will be of extreme value in guiding companies as to how far they can go in the building of policies."

Work of Committees

Two special committees were appointed, one to iron out difficulties in Missouri arising due to the legislative program which it appeared, would call for companies to prepare a special policy for that state. The second committee also has done good work in studying the New York code. There was grave apprehension for a while that some members of the bureau might not be able to produce accident business on a competitive basis, especially in regard to the total disability clause, but the committee secured a change in code phraseology that eliminated this problem.

The value of the bureau has been strikingly demonstrated since 1932, Mr. Lydon said, but there remains considerable work to do. Companies are beset by entrance of state and federal governments into the business in the form of compulsory health insurance bills pending. He urged all companies to adopt the standardized bureau program in its entirety. Failing to do so, he says, seems not to have resulted in better loss ratio or increased business volume as compared to companies on the standard basis. By remaining outside, he said, companies lend the impression bureau membership is divided and not showing a united front in dealings with producers and the public.

Postal Mutual Indemnity Explains Oklahoma Deal

Vice-president A. M. Watson of the Postal Mutual Indemnity of Dallas states that in taking over outstanding contracts of the Southwest Mutual Casualty of Oklahoma City except taxicab lines, it is not assuming all the liability. It is simply taking such of the retiring company's business as it chooses and it is under no obligation to assume the entire liability. Each risk that comes up for consideration is handled strictly on its individual merits. The Postal Mutual Indemnity, Vice-president Watson says, has nothing to do with the insurance not assumed. The Postal Mutual's liability begins only on the actual date of the assumption of each particular piece of business.

Can't Agree on Standard New York Auto Policy

NEW YORK—Casualty companies are still unable to agree as to a standard automobile public liability and property damage policy for use in New York state. At an informal gathering yesterday stock men showed an unwillingness to abandon the retrospective credit plan, or to accept the prospective credit idea.

A further conference in an effort to harmonize the conflicting views will be held May 25. It will be attended by three or four bureau company officials and a like number representing non-stock offices, as well as the independent offices that have been meeting heretofore.

Illinois Mutual Casualty Holds Its Agency Convention in Peoria This Week

PEORIA, ILL.—The 28th annual convention of the Illinois Mutual Casualty was a two-day event. The gathering was attended by more than 100 agents from five mid-western states, all officials of the company, and many guests. C. M. Cartwright, managing editor of THE NATIONAL UNDERWRITER, was the principal speaker at the banquet.

Business Sessions

C. C. Inman, vice-president, was in charge of the business meetings. President E. A. McCord delivered an address of welcome and D. T. McKellar, Vandalia, Ill., responded. Report of the company secretary-treasurer, Miss G. P. Edwards, Peoria, and a talk, "Reminiscence," by E. C. Ferguson, East St. Louis, Ill., followed.

Two symposiums of speakers discussed "Why Income and Hospitalization Protection?" and "Persistency of Renewals."

Thomas Fish, Jr., Taylorville, Ill., extended greetings to agents from special and general agents, as did C. B. Stumpf, Madison, Wis., and A. C. Saurer, Oregon, Ill.

"Some Legal Phases of Our Policies" were discussed by Mr. McCord.

The women dined Monday noon in the Creve Coeur Club and Tuesday noon, with bridge following, in the University Club. Other social activity included men's golf at Mt. Hawley Country Club Monday afternoon for those who did not go sight-seeing to Hiram Walker distillery and elsewhere.

One other event of outstanding importance was the men's luncheon Tuesday noon. One complete table of 17 agents comprised a newly organized unit, the "Master Builders' App-a-Week" club. Its charter membership for that day included only agents who have sold one or more policies per week for the past 52 consecutive weeks or more.

Master Builders

At the "Master Builders'" table were: Ralph A. Newell, Ashland, Ill.; D. T. McKellar, Vandalia, Ill.; C. C. Wheeler, Peoria; Luther C. Brown, Salem, Ind.; Harry Shepard, Green Valley, Ill.; Pearl McNamara, Peoria; Clifford Graf, Lafayette, Ind.; W. D. Memering, Hammond, Ind.; Matthew E. Lee, South Bend, Ind.; W. D. Lumpp, Springfield, Ill.; O. T. Straeter, Milwaukee, Wis.; Whitney Ferris, Kankakee, Ill.; J. H. Smith, Peoria; E. C. Kimpel, Oshkosh, Wis.; F. J. Miller, Galesburg, Ill., and Ruby Fish, Taylorville, Ill.

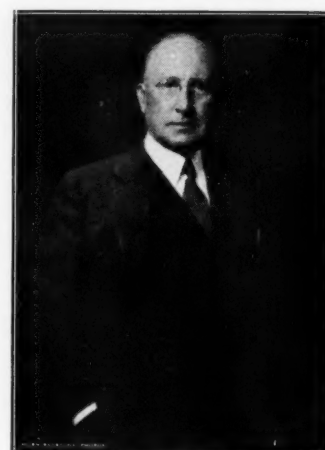
Makes Good Losses in Failed Company; Tax Deduction O.K.

LOUISVILLE—The United States board of tax appeals held that an agent who has made good losses of assured because of insolvency of the company represented in his office may deduct these expenditures from his income tax return. The case involved E. J. Miller, Louisville agent of the Union Indemnity, which failed in January, 1933.

Miller had represented the Union Indemnity from 1919 up to 1933. When he was informed that the company had failed he rewrote all policies issued through his office in the Union Indemnity in the Massachusetts Bonding, paying the pro rata premiums himself and taking an assignment of claims from his assured. These premiums amounted to \$1,700. He also settled and paid claims of clients amounting to \$5,900. His eventual recovery from the receivers of the Union Indemnity was \$375.

The commissioner of internal revenue refused to allow these deductions from Miller's income tax, but the board of tax appeals reversed the commissioner, stating that these expenditures were made for the purpose of retaining

Historical Sketch of Casualty Association



CLIFF C. JONES

Cliff C. Jones of Kansas City, Mo., president National Association of Casualty & Surety Agents, has had prepared for the benefit of its members a history of the organization. The early history was written by Wade Fetzer of Chicago, who might be said to be the father of the movement. He was the first president. John A. Morrison of Chicago was the first secretary. He gives a report bringing out the incidents which led to the organization. This report is dated Sept. 17, 1914. The first annual address given by President Wade Fetzer is published, the annual convention having taken place at White Sulphur Springs, Sept. 21, 1914.

Then there is given the report of the association submitted to the then insurance superintendent of New York, W. T. Emmet, who headed the movement to consider the regulation of the acquisition cost of casualty insurance. Following President Fetzer's suggestions Mr. Emmet called a meeting of the state insurance commissioners in Chicago, Dec. 1, 1913, and invited company executives and agents to meet with them. The agents first met Nov. 29, 1913, and the joint meeting was held Dec. 1. In the historical sketch is the brief submitted by the National association to the insurance superintendents. This is a very valuable, historical document.

the good will and future business of Miller's clients and hence were an allowable business expenditure, even though he was under no legal obligation to pay them. He had reported the \$375 recovery as income. He was also permitted to deduct \$1,900 unearned commissions on Union Indemnity business which he had previously reported as earned income.

Frederick Hickman Named

NEWARK, N. J.—Gov. Moore of New Jersey has appointed Frederick Hickman of Atlantic City as chairman of the state's street and highway safety committee. Mr. Hickman is one of the most widely known insurance men throughout New Jersey, former president of the New Jersey Association of Underwriters, and has for many years taken an active interest in safety work, not alone in New Jersey but throughout the entire country.

Mutuals Gain in Quarter

The American Mutual Alliance reports that the premiums of its 18 casualty company members for the first quarter of this year amounted to \$44,641,408, gain 9.3 percent. They gained 9.8 percent in compensation premiums, 7.7 percent in automobile, 14.4 percent "other liability" and 13.7 percent, miscellaneous.

POINTERS FOR LOCAL AGENTS

Atwood Jenkins Comments on Extended Coverage Form

Atwood W. Jenkins of Richmond, Ind., resourceful and thinking local agent, comments on some of the proceedings at the mid-year meeting at Hot Springs when the National Association of Insurance Agents was in session. He is stirred up over reduction in dwelling rates and then hearing speakers urge agents to sell rent and rental value insurance, unearned premium insurance, etc., in order to keep the total premium where it was.

Mr. Jenkins feels that, rather than reduce rates, he would have additional coverage added so as to keep the gross rate where it was. Then an agent could go to his customers and say, "Here is something that the insurance companies are granting to you." Mr. Jenkins was the precursor of extended insurance coverage. He felt it was a big mistake to reduce rates per se and not have these coverages added so as to keep the gross where it was. By granting these additional coverages rather than reduce the premium, the volume will hold up and the policyholders will be favored.

Should Include Windstorm

A report was made by George W. Carter, chairman of the national councilors' conference in Western Underwriters Association territory, that his group favored two extended coverage contracts, one with tornado included and one without. Mr. Jenkins says that windstorms are no respecters of territory and if there is a form presented without this coverage it is very likely to cause the assured to take it rather than the full coverage. Mr. Jenkins says that all one needs to do is to look over the list of windstorm damages and he is impressed with the fact that there is no section immune. He believes that the agent who did not have the majority of his dwelling house business written on the combined form before the supplemental contract was adopted has not grasped the selling argument afforded by the bridging of the gap clause.

Work Done in Indiana

In Indiana, he says, the agents convinced the banks, trust companies and building and loan associations that they should insist on the combined coverage, which they did. Therefore, the agents are opposed to anything that might appear that they had overstressed the coverage, which is very vital. Mr. Jenkins says further:

"With some experiences of this kind all who loaned money on property were convinced that the extended coverage endorsement was highly desirable. Banks, trust companies, building and loan associations made it mandatory to have the extended coverage on property where they had loaned money. Therefore the agent had little difficulty in convincing his assured that the extended coverage was most desirable."

Another Sales Feature

"The other sales feature showing extended coverage contracts very helpful is in connection with mercantile or manufacturing risks where coinsurance is applicable, but because of the small credit for coinsurance on fire insurance it had not been used.

"Here is an illustration: Take a risk of frame construction where the credit for coinsurance on the fire policy covering building and contents is quite

small. The assured is sold on the need of extended coverage. By the use of a small credit on the fire policy, the large credit or 66 percent on the extended coverage is pointed out and it is frequently easy to raise the assured's coverage to 80 or 90 percent of value, thereby very materially increasing his protection at little additional cost. We have had some cases where there was no additional cost. There are few cases where the assured had the increased coverage and little saving in premium.

"There is one feature which I believe might be improved. At present the as-

sured with the 80 percent clause gets as much credit on the extended coverage as one having the 90 percent clause, with the result that where the credit on the fire coverage is low, the assured almost invariably does not go above the 80 percent clause."

Extended Coverage Demanded

"When the extended coverage contract came out with only 5 percent additional rate charge for three years over the combined rate the agents had no difficulty in getting their assured to accept the coverage. There were three recent explosions in dwellings in our territory, one of which caused complete destruction to the dwelling on which a building and loan association held the mortgage. The loaning organizations made it mandatory to have the extended coverage endorsement on all policies in which they were interested. This of course made very little selling necessary."

See Market for the New Family Forgery Bond

The family forgery bond, promulgated last week by the Surety Association of America, has been described by some authorities as a combination of various features of the depositors forgery bond, form 3 of the securities blanket bond, the fraud bond and even one feature of the new "discovery" form of fidelity bond. All member companies are writing the coverage and are hopeful of working up a good premium volume from assured in the upper brackets whose families carry or participate in checking accounts.

The bond is intended to cover personal finances only and is not intended to protect the assured's business transactions in any way.

There are three sections to the bond, viz.: Forgery or alteration of the assured's paper, acceptance of fraudulent instruments and acceptance of counterfeit. The policy covers the named assured, his or her spouse and children residing permanently in the assured's residence. Although it does not state so specifically, the general practice in interpreting other insurance contracts would indicate that this would cover children of the assured who are temporarily away at school.

Banks Not Covered

Section A of the family forgery bond corresponds to section A of the standard forgery bond, except that the interest of the bank is not covered. It protects against loss caused by forgery or alteration of, on or in any check, draft, promissory note, bill of exchange or similar written promise, order or direction to pay a certain sum in money, made or drawn by, or drawn upon, or as a direction to the assured, or made or drawn by one acting as agent of the assured, or purporting to have been made or drawn in this manner. The bond specifically covers checks made out to fictitious payees and checks procured from the assured by impersonation, regardless of whether these contingencies legally constitute a forgery in the assured's state. This section also covers expenses of defending any suit against the assured or the assured's bank. This coverage, however, is a part of the limit of liability and not in addition to it.

The standard forgery bond covers the interest of any bank in which the assured maintains a checking account, while the family forgery bond covers

this interest only to the extent of payment of defense cost. Companies writing forgery insurance are apparently becoming more cautious about protecting banks. They contemplated using this feature as a selling argument to offset the belief of many assured that the bank is liable for all forgery losses and have also used it in selling by pointing out that it insures the continuance of friendly relations between the assured and the banks in the event of a forgery and dispute as to which party is liable. The fear is growing, however, that companies may be caught on losses which were intended to be covered by bankers blanket bonds or by forgery bonds carried by banks.

Section B covers loss caused by the assured or members of his family or any authorized agent on his behalf giving value or extending credit in good faith, without notice or knowledge, on account of any stock certificate or "negotiable instrument that may be bought or sold in the capital and money markets (except that which is issued for use as currency)" interest coupons, checks, drafts, money orders, mortgage on real estate or instrument in the nature of a mortgage which has been forged, counterfeited, raised or otherwise altered, lost or stolen or acquired under forged, raised or otherwise altered, stolen or lost transfers, assignments, bills of sale,

powers of attorney, guarantees or endorsements.

This section is considerably broader than section B of the combination forgery policy, in that it covers lost or stolen instruments as well as forged or altered ones. It corresponds in a general way to form 3 of the securities blanket bond.

Counterfeit Money Covered

Section C covers loss due to the acceptance in good faith of counterfeit United States paper money, with a limit of \$50 on any one transaction and \$100 in the aggregate. This hazard has been covered by fraud bonds and other combination instruments.

The bond contains the usual exclusion of loss through alteration of any instrument if drawn with a lead pencil which is not indelible. It also excludes any loss to any assured through dishonest acts of another assured. The only other exclusion is any loss sustained by the assured in connection with any business, enterprise, profession or occupation in which he is engaged, or in any fiduciary capacity occupied by any assured except as the natural guardian of any assured. In other words, it is the intent of this bond to cover only the assured's personal affairs and not his business.

"Discovery" Bond Basis

In view of the recent agitation over the introduction of a "discovery" form of fidelity bond by American Surety and New York Casualty, it is interesting to note that the family forgery bond is written on the same basis. That is, it covers losses whenever sustained, provided they are discovered by the assured during the term of the bond. Coverage "cuts off" as soon as the bond is terminated and hence there is no coverage if the assured discovers after termination that a loss has occurred during the existence of the bond. On the other hand, it covers losses which may have occurred before the bond went into effect, but which are not discovered until the bond is in force.

The published rates for the family forgery bond are \$10 for the first \$1,000, then \$2 per \$1,000 for the excess between \$1,000 and \$10,000, \$1 per \$1,000 for the excess from \$10,000 to \$25,000, 75 cents per \$1,000 for the excess of \$25,000 to \$50,000 and 50 cents per \$1,000 thereafter. Minimum bond is \$1,000. Fifteen percent discount is allowed for a three-year policy paid in advance. The rate is the same, regardless of the number of people in the assured's family.

Indemnity of North America is credited with having caused promulgation of the policy.

Hotel Coverage Suggested

In a pamphlet issued to members of the American Hotel Association, E. L. McManus, insurance director, lists and briefly describes the types of coverage applicable to hotel risks. He reminds of their privilege to "have a complete insurance survey made of their needs, without cost and with your favored agent co-operating."

The main forms of coverage mentioned "for the more complete details of which," Mr. McManus suggests, "the favored agent, broker or insurance carrier should be consulted," includes casualty, automobile, fire, theft and collision, together with public liability and property damage; license and permit bonds; burglary and theft; contractual liability and property damage; compensation and/or employer's liability; commercial forgery; depositors forgery;

elevator liability, property damage and collision; garage, liability and property damage; garage legal liability, fire, theft and collision; innkeepers liability; interior robbery; machinery breakdown, messenger and payroll robbery; non-ownership automobile liability and property damage; public liability and property damage; products liability and property damage; plate glass; safe burglary; safe deposit box robbery; steam boiler explosion; teams liability and property damage; use and occupancy; fire and miscellaneous; fire; tornado and windstorm; aircraft and motor vehicle damage; explosion; riot and civil commotion; smoke damage; earthquake; vandalism; sprinkler leakage; use and occupancy; riot; unearned premium; leasehold; fine arts and bailee customers policy.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Will Uphold Right Practices

Superintendent Robertson of Missouri Outlines Position in Address to St. Louis Brokers

ST. LOUIS—The Missouri department intends to carry on a relentless war against unprincipled insurance practices, Superintendent Robertson declared in an address before the St. Louis Association of Insurance Brokers at its fifth anniversary luncheon meeting.

"Licensed brokers have the opportunity to do widespread good," Superintendent Robertson pointed out, adding: "But each time an unprincipled or unauthorized person takes advantage of public ignorance of insurance to sell an unreasonable or inadequate contract, injury is done to the purchaser and to the institution of insurance. It is my job, with your help, to see that this latter type of practice does not obtain in Missouri."

Leaders of the organization have assured Superintendent Robertson that he will have wholehearted support of the association's membership in his efforts to keep insurance practices in Missouri on a high plane.

The superintendent thanked the association for its checking of applications for licenses.

State Senator McMillan Lewis, a broker with W. H. Markham & Co., introduced Superintendent Robertson. He predicted that before long the Missouri legislature will enact legislation requiring applicants for insurance licenses to pass certain tests as to their qualifications. He said that if he is reelected to the state senate he will strive for the enactment of a broker's and agent's qualification law and also for a 2 percent tax on premiums of reciprocals.

George D. Markham, head of W. H. Markham & Co., who has been in insurance work 57 years, told of St. Louis pioneering in rating of mercantile property in 1876. Other speakers were A. F. Felker, president Laclede Insurance Agency and head of the Fire Underwriters Association of St. Louis, and F. P. Sizer, head of the securities division of the Missouri department.

Rural Agents Meetings in Ohio Are Well Attended

The meetings which the Ohio Association of Insurance Agents and the representatives of the farm-writing companies have been holding over Ohio have been largely attended and much interest has been shown. The general purpose is to enable agents to meet the competition of the non-agency companies.

At a meeting at Cortland Tuesday the speakers were C. W. Payne, local agent of Garrettsville, and T. E. Gorman, Aetna Fire. J. Bryan Wollam of Cortland is district chairman.

A similar meeting is being held in New Philadelphia Thursday with Carl Duerr, Canton local agent, and Paul Wilder, state agent Ohio Farmers, as speakers. Vance Hines is chairman of the district. Other meetings will be held at Cambridge May 24 and at Sidney May 26. P. W. Tribolet of Bellevue is state chairman for the meetings.

Butler Talks to Secretaries

Ben Butler, Western Adjustment, Omaha, spoke at the May dinner of insurance secretaries in Council Bluffs, Ia. Fifteen secretaries working for insurance firms belonging to the Council Bluffs Insurance Association attended.

Nebraska President's Report

L. C. Simpson of Fairbury, Head of the State Local Agents Association Tells About the Year's Work

LINCOLN, NEB.—At the annual meeting of the Nebraska Association of Insurance Agents held here this week President L. C. Simpson of Fairbury gave the report of the administration. He called attention to the good work of the Business Development committees. Dues for members in towns under 2,000 are now \$5 a year. This has brought in a number of new members. He praised the work of the rural agents' committee of the National Association of Insurance Agents, stating that R. W. Forsay of Anita, Ia., its chairman, represents the national body at this meeting.

President Simpson said that the membership is now 134. He expressed appreciation of the company men in Nebraska, saying that in his opinion they are the finest group of such people in the country.

Agents' Qualification Bill

The association has attempted to get a more stringent agents' qualification law but during the last two legislative sessions the bill was tabled.

The safe driver reward plan, he said, has been a controversial subject since it was put into effect Feb. 1. The state association and a number of local boards in Nebraska opposed it.

The Nebraska association has a house organ called the "Association News." The first issue appeared in February. George Cowton of Grand Island was the sponsor of the plan. E. L. Dawson is chairman of the publication committee.

Arne B. Moe, marine superintendent in the western department of Aetna Fire, was unable to keep his engagement to address the meeting of the Nebraska agents this week.

Union Underwriters Moves

E. T. Lipscomb, president Union Underwriters, Detroit, announces moving of his offices to 2451-53-55 Union Guardian building. The secretary is Martha J. Wolske.

Oelwein Board Elects

OELWEIN, IA.—The local board here has elected officers as follows: President, J. T. Maillie; vice-president, Carl Gregory; secretary-treasurer, Richard Smith, Jr. Outgoing officers are: H. O. Moyer, president; Thomas Smith, vice-president, and W. C. Londborg, secretary-treasurer.

Explains Premium Financing

Premium financing was explained to members of the Outagamie County Association of Insurance Agents at its monthly dinner meeting held at Appleton, Wis., by Homer Van Pelt of Chicago. About 30 agents attended.

B. D. Meet in Wichita

WICHITA, KAN.—A Business Development meeting is scheduled here for May 19 as part of the second series of meetings being held throughout the state.

Frank Priest Reports

WICHITA, KAN.—Frank T. Priest reported on the mid-year meeting of the National Association of Insurance Agents at the Wichita Insurers' meeting. A short discussion followed Mr. Priest's report which led to a resolution

that the executive committee should develop a program of activities for the board to take advantage of the sales ideas mentioned by Mr. Priest. A committee has been appointed to set the dates and make preliminary plans for the annual convention of the Kansas association which will be held in Wichita in October.

Kansas Losses Down

Kansas fire losses for April reached a new low totaling only \$160,313 from 209 fires, divided into 49 farm losses totaling \$47,445 and 173 city fires with \$112,868 loss. Total losses for the first quarter are some 25 percent less than 1937, being \$688,264 compared with \$878,008 last year.

Hutchinson Election May 24

HUTCHINSON, KAN.—The annual election of the Hutchinson Board will be held May 24 when five of the ten nominees for the executive committee will be elected. The new committee will then select officers from its membership to succeed President M. W. Webster of the McNaghten agency and Secretary James Casey of the Mitchner agency. Following the annual meeting the board will adjourn for the summer.

Barton Speaks to Women

MINNEAPOLIS.—Public liability insurance was discussed at the meeting of the Minneapolis Insurance Women's Association. Edgar R. Barton, superintendent casualty department U. S. F. & G., spoke.

Mutual Managers Meet

The regular monthly meeting of the Mutual Insurance Managers Club of Wisconsin was held at Kewaskum last week with T. R. Schmidt as host. Mr. Schmidt is secretary of the Kewaskum Mutual Fire and also secretary of the Wisconsin Association of Mutual Insurance Companies.

Mutual Club's Golf Outing

The Mills Mutuals have provided a golf trophy for the best two-man team at the annual party of the Mutual Insurance Club of Columbus, O., June 3, at the Wyandot Country Club. Bridge will be provided for women.

Grand Rapids Gives Aetna Tests

GRAND RAPIDS, MICH.—The Grand Rapids Association of Insurance Agents, which has been directing an extensive and unusually successful traffic safety campaign locally, has brought to the city the Aetna Casualty's highway study equipment, which provides for accurate tests of motorists' driving reactions. City officials were among the first to take the tests, and much community interest has been aroused.

B. D. Meet at Hillsboro, O.

A Business Development meeting will be held at Hillsboro, O., June 8 under auspices of the Ohio Fire Underwriters Association. The district includes Adams, Brown, Clermont, Clinton and Highland counties. Melvin Barclay of the Home will be chairman and talks will be given by C. F. Eagle, American of Newark; M. F. Johnson, United States Fire, and E. W. Kobman, Rhode Island. W. J. Gilsdorf, North America, is general chairman of the Business Development movement in Ohio. L. H. Wiggins of the Great American is vice-chairman for the Hillsboro meeting.

McCargar-Morse Co. to Continue

The McCargar-Morse Company agency, Council Bluffs, Ia., will continue without any changes, it was announced by Leon E. Morse, who has been a partner of the late J. F. McCargar for the last three years. It carries on the

business of agencies originally established by H. W. Binder in 1890 and by Mr. McCargar in 1913. Those agencies were consolidated in 1925 as the Binder-McCargar Company.

Borrett at Council Bluffs

COUNCIL BLUFFS, IA.—Claude W. Borrett, Hanover Fire, secretary Iowa Fire Underwriters Association, addressed the Rotarians here. He showed that it is possible to insure properties of enormous value against loss at constantly decreasing rates and at the same time render improved service. He was introduced by John B. Wadsworth, local agent.

West Allis Pays Riot Loss

MILWAUKEE—Six insurance companies who sued the city of West Allis, local suburb, for \$2,369 to recover damages paid the Milwaukee Electric Railway & Light Co. on riot policies covering street cars and car barns damaged during the street car strike in 1934, have agreed to a \$1,500 settlement. Attorneys for the companies explained that the settlement was less than the amount sued for because of the difficulty of proving the extent of some damage to street cars had actually occurred in West Allis. The companies involved are Northern Assurance, Hanover, Home, St. Paul, Alliance, and Commercial Union. The settlement followed the recent decision of the Wisconsin supreme court holding the city of Milwaukee liable for \$3,075 and costs in a similar suit.

Outlaws Coercion in N. D.

Commissioner Erickson of North Dakota has issued a ruling forbidding lending agencies from requiring that the borrower, as a condition of obtaining the loan, cancel existing insurance and take out new with any insurance agency connected with the lending agency. The borrower, he said, should not be compelled to cancel his insurance or be denied the right of renewal of an existing policy issued by a duly licensed company. The commissioner states that the license of any agent who aids in obtaining insurance through pressure of the lending agency is subject to revocation. The acts of any individual of a loaning agency which is connected with an insurance agency will be the acts of the insurance agency.

Minnesota Meetings Held

Business Development meetings were held last week at Winona, Rochester, Austin and Mankato, Minn., and on Tuesday of this week in Duluth. All meetings were well attended by agents and field men. Agents of several communities are making plans for organized sales campaigns. In addition to this subject, the programs also included interesting talks on salesmanship and local agency service.

The agents and field men conducting the meetings included H. W. Clark, Winona; Dan Mills, Lake City; Thomas Sheedy, Austin; A. G. Meile, New Ulm; Burt Hubbard, Duluth; George C. Maxwell, Home of New York; N. Dekker, America Fore; G. W. Blomgren, Security of Connecticut.

Middlewestern Notes

Myron McMillan has joined Matteson Co., St. Paul, Minn., and it is understood will be made a vice-president. He will retain his connection with the Minnesota Mutual Life.

License in Nebraska has been granted to the Brotherhood Mutual of the Defenseless Mennonite church of North America, which sells fire and tornado coverage to its members only on the assessment plan.

A. H. French, 76, senior member of the French & Gall agency, Kenosha, Wis., organized in 1884, died there following a heart attack. He started in insurance shortly after graduating from the University of Wisconsin in 1882.

IN THE SOUTHERN STATES

Oklahoma Agents' Convention

Annual Meeting of State Association of Local Agents Being Held in Oklahoma City

OKLAHOMA CITY—The annual meeting of the Oklahoma Association of Insurers is being held here this week with President John J. Moffatt of Muskogee in the chair. The National Association of Insurance Agents is represented by James M. Crosby, Jr., of Grand Rapids, Mich., who is chairman of the membership committee. John A. Bosdett of the Royal-L&L&G, who is state chairman of the Business Development work, will tell what has been accomplished along that line and what is ahead. Paul J. Slater, America Fore, who is president of the Oklahoma Fire Underwriters Association, will give a talk. There will be sessions for local agents alone.

Manager McCoy's Report

L. J. McCoy, manager of the Oklahoma association, in his report said that he took his position Feb. 1, without specific training for the job. One of the most fruitful sources of trouble he finds is company-agency relationships where there are differences of opinion in interpretation of rules and regulations. Mr. McCoy has given most of his efforts towards strengthening local exchanges which had dropped into lassitude and to one or two groups suffering from in-

ternal dissension. He has devoted some attention to towns where there are members but there are no local boards. The membership now is about 450. He thinks the association can be built up to 600 member agencies.

In Oklahoma, he said, the insurance laws are in many instances a conglomerate mass of unrelated and overlapping rules and regulations making their proper and equitable administration difficult, if not impossible. He said it is one of the duties of local agents to assist in bringing about an orderly and comprehensive rearrangement of these laws.

Cliff Jones of Kansas City, president of the National Association of Casualty & Surety Agents, could not be present and address the Oklahoma convention as previously announced.

Program of Georgia Agents

Annual Meeting of the State Association Will Have an Interesting Schedule of Events at Macon

The program is announced for the annual convention of the Georgia Association of Insurance Agents held at the Dempsey Hotel, Macon, Ga., May 27-28. The following is the program:

Friday, May 27

Report of the administration, Andrew A. Cooper, Rome, president.
Treasurer's report, Irwin Wootton, Atlanta.

Committee reports: Executive, legislative, membership.

"A New Insurance Outlook," T. Alfred Fleming, New York, supervisor conservation department National Board.

"The National Association and the Rural Agent," R. W. Forshay, Anita, Ia., executive committeeman National Association.

1 p. m. Luncheon, compliments Southern Fire & Marine of Georgia.

Afternoon Session

"Current Trends in Marine Insurance," H. Irving Schweppe, manager marine department Automobile of Hartford.

"Building an Agency on Liability Insurance," Stuart Ragland, local agent, Richmond, Va.

7:30 p. m. Get-together dinner.

9 p. m. Dance.

Saturday, May 28

"Making Our Highways Safe," L. H. Sullivan, Georgia, director of public safety.

Report of resolutions committee.
Report of nominating committee.
Election of officers.

To Act Against Violators

Oklahoma City Board President Is Authorized to Summon Members Who Deal Improperly with Solicitors

OKLAHOMA CITY — The Oklahoma City Insurers Association Monday authorized the president to call violators before the executive committee to demand discontinuance of certain practices regarding their relations with solicitors, or their resignation from the association. He was further authorized to report all non-conforming agents to the State Insurance Board with the request that their licenses be rescinded.

Heiman Threatens to Quit

This action was taken after President H. J. Heiman had notified members of the exchange that he intended to resign unless the members discontinue certain alleged violations of the exchange rules and state laws. He stated that the exchange has received complaints that certain members have licensed federal, state, county and city employees to write insurance in their spare time and that certain other members have licensed life

insurance agents and are accepting from them over-the-counter business. He referred to the state law requiring the soliciting agent to office with and be in the sole employ of a policy-writing agent.

"If it is decided by the members of the exchange," Mr. Heiman wrote, "that they do not care to observe their own by-laws or the insurance laws of the state, then your president will step out of office and indulge in a little high-powered chiseling of his own."

Louisiana Agents Meeting

Annual Convention at Alexandria Is Being Presided Over by Thomas C. Grace of Baton Rouge

ALEXANDRIA, LA.—The annual meeting of the Louisiana Insurance Society is being held this week. The executive committee met Wednesday evening with Albert Dreyfuss of Shreveport, chairman, in charge. The other members are B. M. Sweeney of Rayne; O. W. Brown, Monroe; A. S. Hahn, Winnfield; C. P. Gould, New Orleans; George Nicol, Ruston, and A. H. Petry of Alexandria. W. R. Bradford, president of the Alexandria Insurance Exchange, is the local host assisted by Secretary A. J. Buckner. R. C. Bolton is general chairman of the local arrangements. Miss Louise Hill is chairman of the ladies committee.

Thomas C. Grace of Baton Rouge is president and is in charge of the meeting. The greetings are being extended by Mayor Lanikin while J. E. Hassinger of New Orleans, former state president, responds. H. M. Grant, Phoenix of Hartford, will bring greetings from the field men. P. H. Midyette of Tallahassee, member of the executive committee of the National Association of Insurance Agents, represents that body.

The main set addresses aside from the report of the administration by President Grace are to be given by A. R. Menard of New York City, assistant director of Business Development Office; W. S. Bizzell, manager of the Louisiana Fire Prevention & Rating Bureau; A. P. White, chairman of the Casualty & Surety Rating Commission of the state, and W. L. Falk, superintendent brokerage department Royal-L&L&G at the head office in New York City. Manager R. Lea McClelland of Baton Rouge will give his report at the executive session.

Mississippi Meeting Is On

Annual Convention of the State Association of Local Insurance Agents Being Held at Biloxi

BILOXI, MISS.—The annual meeting of the Mississippi Association of Insurance Agents is being held this week with W. Coke Collins of Hattiesburg, president, in the chair. Wirt Yergler of Jackson is secretary. The two main speakers are Payne H. Midyette of Tallahassee, Fla., member of the executive committee of the National Association of Insurance Agents, and A. R. Menard of New York City, assistant director of the Business Development Office. Three business sessions are scheduled, the first being held Friday morning. There will be a boat trip to Ship Island with a barbecue, dancing and other forms of entertainment. On Saturday afternoon there will be an amateur boat race for delegates from local boards participating. The convention host is the Mississippi Coast Underwriters Association, the arrangements committee being in charge of Ernest Desport, Jr., of this city, who is chairman of the committee.

The Mississippi Blue Goose will hold a meeting here simultaneously with the local agents. John Sharpe Williams, III, insurance commissioner of the state, will be present and it is expected that William Wynn of Greenville, Miss., a

Will Preside



L. J. THOMAS, Dothan, Ala.

L. J. Thomas of the Thomas Insurance Agency at Dothan, Ala., who is president of the Alabama Association of Insurance Agents, will preside this week over the annual meeting to be held at Mobile.

member of the state insurance commission, will be present at the agents' convention.

Quality Appeal Stressed by A. R. Menard in Texas Talk

Talks on the Business Development program were made at Dallas, Fort Worth, Houston, San Antonio and Texarkana by Albert R. Menard, assistant director of the Business Development Office. He was invited to the state by the Texas Association of Insurance Agents and talks were made under the auspices of the local organizations and Business Development committees.

At a special luncheon in San Antonio Mr. Menard said that the non-stock carriers have developed an attractive and profitable business because of the price consciousness of the insuring public during the period of the depression. Stressing the fact that stock companies pay more taxes than non-stock organizations and emphasizing the value of the service rendered by stock companies is of doubtful value in getting the individual assured to buy stock insurance, said Mr. Menard. The assured may feel he is able to escape part of the tax imposed on stock companies by buying insurance of non-stock organizations. The individual insured also may feel that the companies must continue the service because the services are essential to their operation. The tax and service arguments can be used effectively in talks to the chambers of commerce and

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other civic organizations as a mass appeal.

Mr. Menard said that stock company insurance can only be sold through an active agency force. While other types of organizations have used agents, Mr. Menard said it is only a temporary device and they may not continue the agency service.

The securing of lower rates to hold risks against the offerings of non-stock organizations was criticized by Mr. Menard who thinks the smart assured will reason that if the rate reduction is secured it was due him earlier. Stock companies cannot hope to meet the competitive situation on rates to any satisfactory degree, said Mr. Menard. Stock company insurance is a quality product and must be sold at higher rates because of the greater value of the protection offered.

The insuring public is interested in security and agency service, said Mr. Menard. Because fire insurance is an intangible good it is imperative that the agent stress the quality of the merchandise he offers and that quality is always related to cost. He stressed the need of knowledge of the general financial setup of stock companies so as to tell the insured of the funds available for meeting losses incurred by the assured as compared with available funds for such purposes by other insurance organizations.

Commissioner Bowles to Be Honored at Dinner May 27

Commissioner Bowles of Virginia will be tendered a testimonial dinner in Richmond May 27 by the Virginia Association of Insurance Agents in appreciation of services he has rendered the state in his official capacity and in recognition of the honor that has come to Virginia by reason of his being president of the National Association of Insurance Commissioners.

Principal speakers will be Louis H. Pink, New York superintendent; Harold V. Smith, president of the Home of New York group, and Isaac T. Townsend, vice-president of the Life of Virginia. Included in those who have accepted invitations to attend the dinner are Governor Price and Senator Byrd.

Watch Alabama Appointment

Interest is being manifested in Alabama in regard to the selection for superintendent of insurance. Frank Dixon of Birmingham was named for governor in the recent primary defeating a field of four other candidates including R. J. Goode of Gastonburg, veteran insurance agent, who ran third. The appointment will be made by the new governor soon after he takes office Jan. 1. Frank N. Julian, incumbent, and C. C. Greer of Birmingham, former superintendent, both supporters of Dixon, will likely be among the applicants for the job.

Take Charge of North Carolina

E. K. Schultz & Co. of Philadelphia, general agent of the Millers National and Ohio Farmers, announces that it has extended its operations in North Carolina. S. K. Frayser has become special agent in the state with headquarters at Richmond, Va. Schultz & Co. have the two companies in New England and the middle department states. Then the firm took charge of Virginia and West Virginia. Mr. Frayser has been engaged in servicing agents in these two states.

Oklahoma B. D. Meeting

Under direction of J. M. Figley, agency chairman, and F. O. Cress, field chairman, a Business Development meeting was held in Woodward, Okla., with about 35 agents present. Speakers were John A. Bosdett, general chairman; F. A. Williams, and H. W. Cooley. In a discussion of sales campaigns, Z. M. Lang spoke on "Organization of a Sales Campaign" and C. H. Kelly on "Operation of an Organized Sales Campaign." A discussion of the "Farm Business Program" was conducted by A. D. Sills of Ponca City.

Review Romantic 60 Years of Little Rock Office



J. GILBERT LEIGH

In connection with the observance of the 60th anniversary of the L. B. Leigh & Co. general agency of Little Rock, the office has published an attractive and interesting brochure. The founder, Lamartine Bascombe Leigh, was born in Rome, Ga. At the age of 21 he went to Little Rock to join the insurance office of J. T. Trezevant, later to become senior partner of Trezevant & Cochran of Dallas. The population of Little Rock was then 11,000. The state was largely a wilderness and the morale was low. He joined the Democratic minority group and supported the Governor Baxter forces in the Brooks-Baxter war. He suffered a bullet wound in the conflict that left him with a slight limp for the rest of his life. He was elected city treasurer in 1876 and was reelected four times.

In 1878, Mr. Leigh was appointed local agent for the Home. That was 60 years ago. He formed a partnership with R. B. Gress operating as Gress & Leigh to conduct both a local and general agency business. In 1890 the partnership was dissolved and Mr. Leigh established a separate office for general agency operations alone. The new general agency among other companies, represented the Crescent and Mechanics & Traders of New Orleans.

In 1893, Mr. Leigh was appointed general agent for the Home, which was on the point of withdrawing from the state. Mr. Leigh agreed to supervise that company's business in Arkansas without guaranteed remuneration. His compensation was to be dependent upon the profits. He so well demonstrated his ability to produce profitable results that in 1901 the office was given a regular agency contract. At present 12 fire and five casualty companies are represented.

Mr. Leigh served as president of the Arkansas Association of Fire Underwriters from its inception until the anti-trust law of 1899 forced the association to disband. In 1905 the legislature enacted the anti-trust law that caused all old line fire companies to withdraw from the state. To combat this, Mr. Leigh ran for the legislature and was elected. He secured an amendment to the law which made it possible for the companies to resume writing. He was twice reelected to the legislature. He was active in a number of enterprises outside of insurance and in civic and religious affairs.

Mr. Leigh died in 1933. J. G. Leigh, II, a nephew of L. B. Leigh, became senior partner in the firm at that time. J. G. Leigh was born in Dallas but his family moved to Little Rock and in 1897, upon graduation from high school, he went with L. B. Leigh & Co. Four years later he became a partner. He has been chairman of the advisory com-

mittee of the Arkansas Fire Prevention Bureau for 19 years. He was an early president of the American Association of Insurance General Agents. He is president of the Commonwealth Federal Savings & Loan Association and is chairman of the Federal Home Loan Bank of Little Rock. He has been president of the Little Rock Chamber of Commerce and was vice-chairman of the Arkansas Centennial Commission.

W. W. Leigh, junior member, is a brother of J. G. Leigh. After attending the University of Arkansas he started with L. B. Leigh & Co. in 1909 and became a partner in 1918.

Lookout Heights Rates Cut

LOOKOUT HEIGHTS, KY. — Fire insurance rates in Kentucky's most recently incorporated town have been reduced by the Kentucky Actuarial Bureau from 60 cents to 28 cents for brick houses with approved roofs and for frame houses with approved roofs from 90 to 38 cents.

Lookout Heights now comes under the same rate as Park Hills and South Fort Mitchell, both suburban cities across the Ohio river from Cincinnati. The reduction was brought about by a contract under which the South Fort Mitchell fire department will serve Lookout Heights.

Existing policies will not be affected.

Desmarais Has Own Office

John P. Desmarais has established a general agency under his own name for Texas and Louisiana at 423 Carondelet

street, New Orleans. He recently resigned as state agent for the Corroon & Reynolds group in those states. In Texas he is representing First American and in Louisiana Alliance, Commonwealth Underwriters, First American, Homeland, Merchants & Manufacturers Fire, Phenix Underwriters, and Quaker City Underwriters. He started with the LaCombe agency at Opelousas, La., and later conducted a local agency in Houston for 10 years. For the past six years he has been with Corroon & Reynolds. Harold Magill, formerly with the Gulf States General Agency, is office manager for Mr. Desmarais.

Southern Notes

L. J. Fitzgerald has bought the agency of William Binder at Comanche, Okla.

S. W. Creekmore, Fort Smith, Ark., has purchased the fire business of W. L. Hinton agency there.

The local agency formerly operated by the late T. N. Castles at Ponca City, Okla., has been taken over by the M. S. Hatcher agency.

F. P. and Don Greenhaw have purchased the Glass Insurance Agency, Harrison, Ark., which will now be known as the Greenhaw Insurance Agency.

Commercial Underwriters, Fort Smith, Ark., has been incorporated by W. L. Hinton, Jr., Mrs. Mildred Hinton and Grace McCain.

R. W. Pritchard, Jr., long connected with the Petersburg Insurance Agency, Petersburg, Va., and actively in charge of its management until a few years ago, is retiring soon because of failing health.

W. B. Rees has bought the interest of his partner, T. F. Ivey, Jr., in the Rees & Ivey agency, Sinton, Tex. Mr. Ivey will devote his entire time to work as a personal producer for the Southland Life.

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PACIFIC COAST AND MOUNTAIN

Breeden Succeeds Chapman

Prominent Executive Joins Corroon & Reynolds as Pacific Coast Manager

John P. Breeden has been appointed manager of the Pacific Coast department of Corroon & Reynolds, with headquar-



JOHN P. BREEDEN

ters at San Francisco. He succeeds R. R. Chapman, who is being transferred to the home office to take charge of the middle-western department.

Mr. Breeden has spent the last 25

years on the Coast as a field man, underwriter and executive. Up to a short time ago he was joint Coast manager of North America and prior to that was Coast manager for National Union Fire. He has a thorough knowledge of conditions in all of the states under the jurisdiction of the Pacific Board, is well acquainted with the majority of the agents and is well known to company officials.

Representation on the Coast

Some of the Corroon & Reynolds companies operate direct and others through general agencies on the Coast. Hinchman-Rolph & Landis are general agents for New York Fire in California; Finn-Elbow & Medcraft, general agents for the Metropolitan Assurance Underwriters in the same state; Wentz & Erlin, general agents for Sussex and H. F. Ahmanson & Company at Los Angeles, general agents for Merchants & Manufacturers.

The Phil Grossmayer Company, at Portland, has Globe & Republic for Oregon; Bates, Lively & Pearson at Portland, Sussex and Gilbert & Company at Portland Merchants & Manufacturers.

In Washington, Gould & Gould, Seattle, are general agents for New York Fire; Groninger & Company, at Seattle, general agents for Cosmopolitan Underwriters and Hansen & Rowland, Tacoma, general agents for Sussex.

E. Virgil Norton, Salt Lake City, is general agent for American Equitable in that state.

John I. Christ, who has been assisting Mr. Chapman for the past several years, will continue as assistant manager with additional responsibilities, and Kelsey Olds will likewise continue in charge of the Los Angeles office. Mr. Christ has made a fine record since his transfer to California from New York a few years ago, and in the comparatively short time in his new field he has become well acquainted with conditions in the various states and with many of the agents and company men. Mr. Olds is a native of California, has been doing a good job in Los Angeles and is well known to the business.

Tells About U. S. C. Course

Dr. C. J. Rockwell Addresses Los Angeles C. of C. Meeting Attended by All Classes of Insurance Men

LOS ANGELES.—Prof. C. J. Rockwell, of the University of Southern California, addressed a meeting sponsored by the general insurance committee of the Los Angeles chamber of commerce, which was attended by fire, life, casualty, marine and automobile insurance men.

The program was arranged by the joint effort of Chairman E. H. Morrison of the general committee, Chairman Roy Ray Roberts of the life insurance committee of the Chamber and President Alex Dewar of the Los Angeles Association of Life Underwriters.

Dr. Rockwell pointed out that the two committees sought to have included in the curriculum at U. S. C. as well as other educational institutions a complete course on money management, including insurance, which was to have a prominent place in the course of study. Two years ago the committees arranged with Dean McClung, the late Dr. Teuton and Dr. Rockwell to include the course in the college curriculum. Its success was unqualified, and now insurance instruction occupies one-third of the time in the course. So successful was it that now it is one of the preferred electives and for seniors is a requisite unless they have demonstrated to the faculty that their talents lead along other lines.

No effort is made to turn out finished

insurance men, but the theory and principles of insurance are inculcated in the mind of the student in an effort to have him develop an ability properly to evaluate insurance programs and to buy intelligently.

Two Insurance Men in Lieutenant-Governor Race

Two well known California insurance men, Senator J. L. Seawell of Roseville and San Francisco and James Rolph III of San Francisco, are contending for the Republican nomination for lieutenant-governor.

Mr. Seawell has been active in the California legislature for ten years, serving on all committees in which insurance is principally interested in both the house and senate. He is a local agent at Roseville and was instrumental in helping the mining industry solve some of the more serious problems of compensation insurance, resulting in the formation of the Limited Mutual Compensation, of which he is now president. The company, while a mutual, operates on the agency plan.

Mr. Rolph is son of the late Governor James Rolph, Jr., who was mayor of San Francisco for 20 years. "Young Jimmy" grew to manhood in the atmosphere of practical politics and was in later years a close adviser and assistant to his father. He is a member of the general agency firm of Hinchman, Rolph & Landis.

Gets Globe & Republic

OLYMPIA, WASH.—Sunset Underwriters, owned by American Underwriters Corporation, which is also the holding company for the Sunset Life and Sunset Casualty, has been launched as a general agency and appointed to represent the Globe & Republic of the Corroon & Reynolds fleet.

Seattle Port Line Renewed

SEATTLE.—The Port of Seattle Commission, one of the largest political subdivisions of its kind in the United States, has renewed its \$4,000,000 fire insurance line. The entire amount, except for \$500,000 which went to the Northwestern Mutual Fire, was allocated to stock fire companies. Servicing the line is the King County Insurance Association with P. J. Perry, Seattle broker, handling the details.

Seattle Blanket Club Meets

SEATTLE.—At a meeting of the Seattle Blanket Club, Wallace Corbett of the C. B. DeMille general agency spoke on "Provisional Insurance"; Alex Fleming, Washington Examining Bureau, on "Garage Liability Policies," and John Knapp, United Pacific, on "Washington Requirements for Public Carriers." President James Lockett was in charge of the meeting.

New Washington Deputy

Howard LeClair has joined the Washington department as one of the deputies under Commissioner Sullivan.

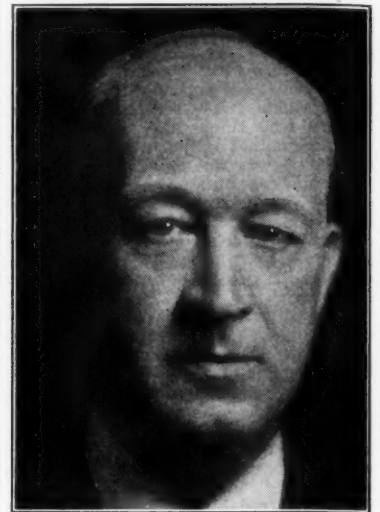
Cooney on Coast Trip

John R. Cooney, president of the Firemen's group, is visiting San Francisco headquarters, accompanied by Mrs. Cooney. He expects to stay on the coast several weeks.

License Move Again Delayed

DENVER.—Action on the hearing on improper agent licensing asked from Commissioner Cochrane by the Colorado Association of Insurance Agents and the Denver Association of Insurance Agents has been delayed by the report brought back from New York by Fredric Williams, secretary of the Rocky Mountain Fire Underwriters Association, that company organizations there did not approve the statement of facts

Heads Pacific Board's Executive Committee



CHARLES A. CRAFT

Charles A. Craft, Pacific Coast manager of the Phoenix of London since 1927, has been elected chairman of the executive committee of the Pacific Board. He succeeds R. L. Countryman, who was advanced to vice-president. Next year it is expected Mr. Craft will again succeed Mr. Countryman, who is slated for president in 1938.

Joining the Phoenix in 1916, covering the Pacific Northwest, Mr. Craft served as general agent of the western department in New York for two years. He was advanced to that position from the field in 1925 and when E. C. F. Knowles, then coast manager, resigned to join Marsh & McLennan, Mr. Craft returned to San Francisco as manager.

Mr. Craft is active in organization affairs. He was chairman of the schedule committee and the southern California committee of the board last year. He was also on the Oregon committee and the executive committee. He is a director and treasurer of the National Automobile Club.

which was to be the basis for license revocation movements by the two associations. A substitute statement was drawn up, to be passed on by a joint committee of agents and company men.

Fire Association Men on Coast

James G. Maconachy, vice-president of the Fire Association, and Walter Gustavson, treasurer, are visiting Pacific Coast headquarters in San Francisco, in conference with Manager Charles L. Barsotti. This is their first visit to the coast since Mr. Barsotti's appointment as manager following retirement of Frank M. Avery last February.

Bombing Boosts Vandalism Sale

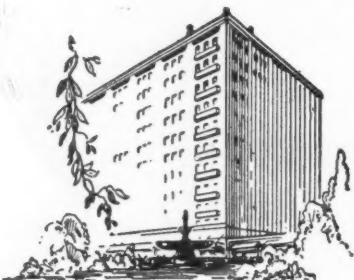
DENVER.—Arthur Powers, Denver furniture dealer, whose home was completely destroyed by a bomb, had taken out a policy before the structure was complete including the malicious mischief and vandalism clause, which saved him \$4,000. Sale of the new form has been given a great impetus by the Powers case, which was widely played up in newspapers following the bombing.

New Chapman & Co. Setup

Theodore Castle, who has traveled in southern California for Chapman & Co. for several years, has been appointed agency superintendent in the San Francisco office.

Mr. Castle started with the old Nathan & Michel agency at Sacramento, later going with the Fireman's Fund in the automobile department at the home office. Later he was appointed special

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Fifth and Hill

P. G. B. MORRIS, Manager

agent for Chapman & Co., in the northern field where he traveled 11 years before going to Long Beach to open a local agency. After five years he returned to Chapman & Co., to travel out of Los Angeles in 1931 where he has remained up to his present appointment.

He is succeeded by A. R. Latimer, who has been with the National Fire in Los Angeles. Mr. Latimer joined the Oregon Rating Bureau as examiner and then surveyor after the war. In 1922 he was appointed special agent for the Commercial Union group and in 1930 became special agent for the Home of New York in Los Angeles. In 1933 he left special agency work to enter the financial field but in 1935 returned to insurance as a field man with the National Fire.

Maher with Brice Company

T. J. Maher, well known in insurance circles at Portland, Ore., has become associated with the Brice Mortgage Company there taking charge of its insurance department. He is conversant with every branch of the insurance business. He was formerly an examiner in the state insurance department at Washington. For seven years he was special agent for the Firemen's group. He went to Portland after a successful career at Seattle.

Start Consolidated Agencies

W. T. McConnell, having sold his interest in the Consolidated Life, of which he was president, to the Sunset Mutual Life of Los Angeles, has organized the Consolidated Agencies to write all forms of insurance with offices in the Pershing Square building, Los Angeles. Other officers are W. T. McConnell, Jr., vice-president; W. T. George, treasurer; C. J. Myers, secretary; P. A. Klomp, agency director.

Mr. George was an agent in Washington Springs, S. D., for a number of years. The agency has been appointed general agent of the Great Northern Life.

Breakfast Sessions in Seattle

SEATTLE.—A large attendance marked the first breakfast meeting of the King County Insurance Association. It is expected that all summer business sessions will be held in similar manner.

Drive Against Part-Timers

PORTLAND, ORE.—The Insurance Exchange of Portland has launched a drive to reduce the number of part-time agents in the Portland field. The exchange is contacting all stock fire and casualty companies licensed in Oregon, asking that each company advise as to whether it is willing to cancel agency

appointments of those engaged in any other business than insurance, real estate and mortgage loans.

In 1937 1,560 individuals, firms and corporations were licensed as agents in Portland.

Atkins Independent Adjuster

SEATTLE.—Frank E. Atkins, former special agent of the Liverpool & London & Globe, has become an independent adjuster, with offices in the Hoge building.

Reed Agency Gets Buffalo

DENVER.—The new Reed Agency will represent the Buffalo Fire for Colorado, Wyoming and Nebraska on a general agency basis.

Gets 25-Year Service Medal

L. J. Kropp, who recently resigned as president of the Flower State Investment Company, Long Beach, Cal., to become chairman of the board, was presented a 25-year silver service medal of the Home of New York by Associate Manager R. P. McGuire and Special Agent G. A. Kingman.

He became an agent of the Home in 1903 while in the banking business in Raymond, Minn. Many years later he sold his interests and moved to Long Beach, where he organized his present firm.

Beverly Hills School Line

LOS ANGELES.—The school board of the Beverly Hills united school district, has tentatively placed, under temporary agreements, \$250,000 of fire insurance on school properties, expiring this year, with an office outside of Beverly Hills, following the granting of a reduction in rates by the Pacific Board, the new rate being 47.1 cents as against 69 cents.

The award led to a vigorous protest by the Beverly Hills agents who had been on the line. As a result the final closing of the deal was held up, with new questionnaires sent to the protesting agents. These have not yet all been returned.

The line heretofore has been written entirely by board companies. This year mutual competition entered into the picture, but to what extent is not definitely known. It is understood that, following the course of other years, the line once more finally will go to board companies.

Boncutter Returns to Old Field

A. C. Boncutter has returned to the Oregon and Washington field for the Pearl, after having been located in the New York office for the past three years.

United States Fidelity & Guaranty at Baltimore, will give an address.

The business sessions and banquet the first evening will be held at the Elks Club. Eugene A. Ingersoll, the president of the Parkersburg board of commerce, will give the welcome. It is likely that E. M. Allen, executive vice-president National Surety, will be present and make an address. C. Stanley Stults of Hightstown, N. J., member of the national executive committee, will represent the National association. It is expected that State Auditor E. B. Sims, Deputy Insurance Commissioner Harlan Justice and State Fire Marshal Fred Watkins will be present. Harvey Pollock will act as toastmaster at the banquet. Arrangements have been made for golf playing at the Parkersburg Country Club.

Honor Agency's 50th Anniversary

A banquet in honor of Charles B. Lutz, senior partner of the C. B. & C. M. Lutz agency, at Bloomsburg, Pa., was given there in commemoration of the firm's 50th anniversary. A lettered scroll, enclosed in a gold frame and signed by the companies he represents, was presented to Mr. Lutz.

David E. Vollmer Promoted

HARRISBURG, PA.—Appointment of David E. Vollmer as chief policy analyzer of the Pennsylvania insurance department succeeding F. L. Madden is announced. He was educated at Franklin & Marshall College, Lancaster, Pa. He has been associated with the department as assistant policy analyzer for more than a year. Mr. Madden resigned to become associated with the Standard Accident at Philadelphia.

Baltimore Binder Club Meets

BALTIMORE.—At the Binder Club's anniversary meeting Herbert O'Connor, Maryland attorney-general, emphasized the benefit of such organizations to its members. F. E. Fowler, Central Insurance Company, the first president of the group when it was formed three years ago, reviewed the work accomplished by the club. T. B. Streett, vice-president of the Fire Underwriters Association, spoke on the outlook for the future. About 60 were present. At the May 19 meeting Dr. Joseph Weaver, librarian Enoch Pratt Library, will talk. The season will close for the summer with a gathering on May 26.

Springfield Board Annual Banquet

SPRINGFIELD, MASS.—The annual banquet of the Springfield Board of Fire & Casualty Underwriters was attended by a number of distinguished guests. Commissioner Harrington of Massachusetts was the principal guest

New Vice-president of Pittsburgh Agents Body



A. W. PARDEW

A. W. Pardew of the W. W. Flanegin Company agency was elected vice-president of the reorganized Insurance Agents Association of Pittsburgh at the first annual meeting and election. Mr. Pardew is prominent in Pittsburgh insurance affairs and is past president of the Insurance Club of Pittsburgh.

of honor and speaker at the evening meeting. T. Alfred Fleming, conservation supervisor of the National Board, also was a speaker. Other prominent guests included Harvey R. Preston, former president of the local board, and president of the Massachusetts Association of Insurance Agents; President F. C. Church, Jr., of the Insurance Federation of Massachusetts, Boston; W. H. Flood, president Springfield chamber of commerce, and John W. Downs, counsel of the federation. Special agents covering western Massachusetts and members and employees of agencies in Westfield, Holyoke, Easthampton, Northampton, Greenfield, Amherst, Adams, Pittsfield, North Adams, Dalton and other nearby towns were present.

N. H. Launches Arson Fight

Commissioner Rouillard of New Hampshire is invoking a law of long standing that gives him the power of investigating fires of questionable or suspicious origin. The department lacks sufficient funds to carry on such investi-

EASTERN STATES ACTIVITIES

Changes in Branch Offices

Fire Companies Adjustment Bureau Shifts Robbins, Jones, Elliott and Macomber

NEW YORK.—Changes in personnel have been made in a number of branch offices of the Fire Companies Adjustment Bureau. G. B. Robbins was transferred from manager at Worcester, Mass., to manager at Jamaica, N. Y., succeeding in the latter post G. S. Jones, who was granted extended leave of absence because of ill health. Mr. Jones was in charge of the Jamaica office since 1932. Mr. Robbins has been connected with the bureau since 1926, attached to the Newark, White Plains and Boston offices before being assigned to Worcester.

Mr. Robbins will be replaced at Worcester by E. W. Elliott, who joined the bureau staff 12 years ago, being stationed at Providence, White Plains,

N. Y., and Huntington, W. Va., and as staff adjuster at Springfield, Mass., since 1929. Adjuster G. A. Macomber will transfer from Worcester to Springfield.

West Virginia Program Out

Plans for the Annual Meeting of State Local Agents Association Are Now Being Completed

The program for the annual meeting of the West Virginia Association of Insurance Agents at the Chancellor Hotel, Parkersburg, W. Va., June 6-7 is now being whipped in shape. W. L. Falk of New York City, special representative of the Royal-L. & L. & G. group, will give an address on "The Trend of the Cooperative Movement in the United States." G. A. Snyder of Cincinnati, branch manager of the First Bancredit Corporation, will talk on "Vital Need of Real Salesmanship in Business Today." B. Conway Taylor, manager of the

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gations extensively but the National Board and state police are cooperating. Mr. Rouillard will be assisted in this work by S. M. Sheldon, deputy commissioner. Mr. Rouillard is fire marshal as well as insurance commissioner. Mr. Sheldon has addressed authorities in the

various New Hampshire cities requesting that they report to the commissioner fires of a suspicious or questionable origin.

Wood, Keyes & Co., a Boston agency, has been incorporated by J. J. Keyes, W. M. Wood and J. R. Stewart.

MOTOR INSURANCE NEWS

Conference to Meet May 25

National Automobile Underwriters Association Session to Be in Waldorf-Astoria, New York

NEW YORK—In keeping with its custom of recent years, the National Automobile Underwriters Association will hold its annual meeting at the Waldorf-Astoria May 25, the day preceding the National Board gathering. In addition to the address of the president and report of Secretary J. Ross Moore and committees, and action on various questions submitted, officers will be elected.

C. A. Nottingham, assistant United States manager Royal-Liverpool group, is now president; C. C. Hannah, vice-president Fireman's Fund, vice-president; Walter F. Beyer, vice-president Home, treasurer, and Mr. Moore, secretary. Mr. Moore is completing his 13th year in the post.

While the members would very much like to have Mr. Nottingham continue as president for another term, it is doubtful if he will consent to do so, as he is said to feel since he has occupied the office for three years another should be chosen.

Cut Texas Theft Rates; Increase P. L. and Collision

Reductions in automobile fire and theft rates and increases in collision and public liability are general in the revision ordered by the Texas Board of Insurance Commissioners effective June 1. A hearing has been set for May 26 to listen to any grievances there may be. Notices of protest must be filed by May 20. This is the first major adjustment of rates under the automobile insurance law that was amended by the legislature to authorize the insurance board to make rates.

A 33½ percent reduction in fire and theft rates applies in a good many localities, including Austin, Beaumont, Waco, Galveston, Port Arthur, El Paso, Wichita Falls and Texarkana.

The Dallas territory was given a 50 percent reduction in fire and theft while collision and public liability rates were increased 12½ percent for private cars and about 20 percent for commercial cars. Property damage on private cars was cut 10 percent.

The 50 percent addition to windstorm

rates in the coastal counties was eliminated.

A general over all reduction of 10 percent was made on trucks and commercial carriers throughout the state.

The board stated the increase in collision and public liability rates was necessitated primarily by light cars "running wild." The board indicated if auto accidents are not reduced the collision and p. l. coverage would have to be boosted higher.

Confusion in Wisconsin

MILWAUKEE—Considerable confusion is reported in Wisconsin in connection with automobile fire, theft and collision rates. The new manual of the National Automobile Underwriters Association increased the minimum premium, increased collision rates outside of Milwaukee county and made some increase in fire and theft rates. The non-conference companies are following various courses. Some are continuing to use the old manual. Others are following the new manual in the main, but are using the old and lower minimum premium.

Automobile Financing Off

WASHINGTON, D. C.—According to a report of the Department of Commerce, the wholesale financing of automobiles the first quarter of the year was about half the total for the same period of 1937.

Northwest Conference Elects

SEATTLE—W. H. Marks, president of C. B. DeMille general agency, has been elected president of the Northwest Auto Insurance Conference.

Carl Birkenmeyer, United Pacific, is secretary-treasurer. Harold Pigott of the General heads the rules and rates committee, being assisted by M. B. Pool of Gould & Gould and William Goudy, Northwest Casualty.

Miscellaneous News Notes

R. H. Helling has opened an agency in the Mayer-Lotz building, Wausau, Wis. He was formerly with the Oppermann & Helling agency there.

George Evans has been appointed manager of the Utica Insurance Agency, Utica, O. He succeeds K. J. Pugh, who has joined an agency in Columbus.

E. R. Chinnicholl of the engineering department of Marsh & McLennan's Chicago office has been in Kansas on business and renewing old acquaintances with his former associates, having traveled the state for several years when with the Kansas Inspection Bureau.

CANADIAN NEWS

Support Provincial Supervision

The Mutual Fire Underwriters Association of Toronto has submitted a brief to the Royal Commission, requesting that the present provincial jurisdiction be maintained for the 67 member companies which are farmers mutual concerns. The association at its convention in March adopted a resolution opposing any change from the present provincial system of supervision, taxation and operation of the fire marshal's office.

Change British Columbia Tax

The province of British Columbia has redrafted its fire prevention levy on fire and automobile insurance premiums, fixing it at one-third of 1 percent on premiums in licensed companies, and also on insured dealing with companies not licensed in the province.

Firth with Corroon & Reynolds

Corroon & Reynolds of Canada has appointed Arthur M. Firth as inspector for eastern Ontario, with headquarters in Toronto. He was formerly resident inspector for Massie & Renwick at Ottawa, covering eastern Ontario and previously was with the Hartford Fire.

Toronto Institute Elects

TORONTO—At the annual meeting of the Insurance Institute of Toronto, G. M. Pelton was elected president, with C. E. Sword as honorary president, Harold Brown, vice-president, and R. H. Reynolds, secretary.

Retired Royal Man Dies

Thomas A. Bell, 62, retired accountant of the Royal, died in Winnipeg. He was born in England and had been a resident of Winnipeg since 1918.

Cranz Dies in Montreal

Basil Cranz, 46, until ill health forced his retirement a year ago fire superintendent of the Liverpool & London & Globe in Montreal, died there. He joined the company in 1908.

Adds Philadelphia F. & M.

VANCOUVER, B. C.—Following the recent change in the J. Hunter Harrison Co. from general agent to branch manager of the North America and Alliance, reporting to Toronto instead of San Francisco, the Philadelphia Fire & Marine has now been added to the Harrison group.

Death of Kitchener Agent

Karl Krantz of Kitchener, Ont., former mayor and member of the public utilities commission for 24 years, a prominent agent and vice-president of the Economical Mutual Fire, died the other day. He was also vice-president of the Blue Top Brewing Co. and vice-president of the Tavistock Milling Co.

MARINE

Keyes Handles Inland Marine

Appointed by Corroon & Reynolds Group as Manager to Develop U. S. Production

Howard Keyes has been appointed manager of the agency inland marine department of the Corroon & Reynolds group, with headquarters at 92 William street, New York City. He has had extended experience in insurance. After graduating from Georgetown University law school he practiced law for several years, specializing to some extent in insurance. Later he was for several years in the local agency business at Dayton, O., and became associated with Appleton

& Cox about eight years ago as office underwriter and field man.

In 1933 he was put in underwriting charge of the inland marine business of Appleton & Cox for the entire United States, excluding metropolitan territory. In this position he met many agents and brokers and studied the various inland marine lines.

Up to this time Corroon & Reynolds companies have not attempted aggressively to develop inland marine classes even though the large agency plant offered attractive possibilities. T. F. Allen, general agent eastern department, has been supervising inland marine. From now on Mr. Allen will devote himself entirely to the eastern agency department and Mr. Keyes will take over the inland marine department and gradually expand its operations.

Bad French Line Record

NEW YORK—The understanding here is that London Lloyds carried about 50 percent of the insurance on the French luxury liner Lafayette which recently burned in a dry dock at Havre. The insurance is said to amount to about \$3,500,000. The balance was covered in French and British companies. As far as can be ascertained, no American office was interested. This is the third bad fire loss suffered by the French line in recent years.

Will Distribute Claim Money

NEW YORK—Federal Judge Knox is considering the distribution of \$890,000 among claimants for death, injury and cargo lost when the steamship "Morro Castle" burned off the North Jersey shore in September, 1934. Claims filed by 386 persons totaled over \$7,000,000, but the court held the limit of liability for the owner company, the New York & Cuba Mail Steamship Line, was \$890,000 and that amount was placed on deposit.

Writes Loss of Sunshine Cover in England

Eagle Star, in its home country, is experimenting in the writing of insurance against the effects of lack of sufficient sunshine. Eagle Star has been one of the important writers of rain insurance. The management made the study of the possibilities of writing "loss of sunshine" and is now prepared to issue a standard proposition.

The insurance will be on a graduated basis, according to the average or expected hours of sunshine at the situation of the risk at the stated period. The amounts to be paid in claims will be 30, 60 or 100 percent of the principal sum, according to the deficiency of sunshine. For instance, if the ascertained average hours of sunshine during the period for a certain town were 900, the assured would recover 30 percent of the sum assured if actually there had been recorded only from 742½ to 765 hours, that being a range between 82½ percent and 85 percent of the average. If the number of hours of sunshine were between 80 and 82½ percent, the recovery would be 60 percent of the sum assured, and if the proportion were only 80 percent of the average or less, a full 100 percent would be paid.

The insurance must be taken out for at least one month. The full time from sunrise to sunset, including the period normally outside the hours of ordinary work, must be covered.

B. R. Whitcomb, Nichols, N. Y., local agent, died. He was born at nearby Smithboro, N. Y., in 1861, was a school teacher, farmer for 22 years, merchant for 12 years, bank president for eight years and insurance agent for 23 years. The insurance business will be continued by his son, Leon, who had been associated with the office for some time.

The Plains Mutual, Clovis, N. M., has elected officers—E. M. Bocox, Texaco, president, and V. J. Thomas, Forrest, vice-president.

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William H. Yarborough, Jr., Associate
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304 Black Bldg.
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FOOTE, BUSHNELL, BURGESS & CHANDLER

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(Continued next page)

New Fidelity Rate Cuts Inspire the Selling Forces

(CONTINUED FROM PAGE 25)

extremely improbable that all employees of a given employer, or even a majority of them, will be guilty of embezzlement. Nearly all of the large fidelity losses have been caused by one employee or by a few employees acting in concert.

An employer having 50 employees bonded under a \$5,000 blanket position bond would have \$250,000 fidelity insurance, but he could not collect this unless every employee embezzled \$5,000. On the other hand, if one employee should cause a \$15,000 loss, the employer would have to stand \$10,000 of the loss himself. Under a \$15,000 blanket fidelity bond, this loss would be covered.

Under the new rates, a commercial blanket bond of \$10,000 for any number of employees up to 25 cost exactly

the same as a blanket position bond on the same number of employees for \$2,500. Similarly, a \$15,000 commercial blanket bond covering up to 25 employees would cost the same as a blanket position bond for \$5,500 on each employee. Thus it is felt that on many small risks the blanket position bond will be replaced by the commercial blanket form. The blanket position form appears to be indicated now only where an employer with a comparatively large number of employees wishes to buy small amounts of suretyship.

Forms Made Similar

Both the blanket fidelity and the blanket position bond have been changed to include a provision for short rate cancellation in the event coverage on employees is terminated by the employer. Both have been changed to include specifically shortages in inventory as a hazard covered. Both forms now provide that losses must be discovered and reported to the company within 12 months after the termination of the bond.

The blanket fidelity bond has been changed to give the assured four months to file proof of loss instead of 90 days, to permit him to bring suit within two months instead of three months and to permit suit to be brought not later than 15 months instead of 12 months. These provisions were formerly in the blanket position bond and thus the two bonds are made alike on these counts.

The blanket position bond has been amended to provide for coverage in the event of merger or consolidation with another firm and also to exclude liability on any employee whom the assured knows to have been guilty of a defalcation. These provisions were previously in the commercial blanket form.

N. H. Has Assigned Plan for Rejected Auto Risks

(CONTINUED FROM PAGE 25)

formation regarding any pertinent exclusions under any reinsurance agreements and to state the servicing facilities of the company in New Hampshire.

The application for assigned risks coverage calls for complete underwriting

and character information and financial information where the coverage is to be written on a basis requiring final adjustment of the premium after expiration of the policy. The applicant must agree to comply with all reasonable recommendations of the company and to pay the premium promptly.

The insurer will have the right to cancel the policy for cause but must report all the circumstances to the manager prior to cancellation. An assigned risk may request reassignment upon expiration. If any company other than the designated one desires to carry the

risk voluntarily upon the normal basis, it may do so at expiration or even during the life of the contract subject to agreement by the designated carrier.

Every risk will be assigned through a licensed broker.

Boston Surety Men Golf

BOSTON.—The Boston Surety Underwriters Association held its annual outing and golf tournament at the Wollaston Golf Club in Quincy. George Berry, Massachusetts Bonding, was in charge.

INSURANCE ATTORNEYS

* The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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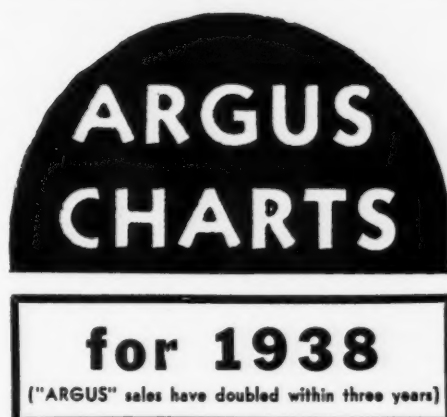


ARMSTRONG CRAWFORD

Armstrong Crawford, president of the Great Lakes Casualty of Detroit, spoke before the May meeting of the Detroit Insurance Women's League. He gave the historical background of liability and casualty insurance and explained why there are constant changes. Several enlightening examples of cases in court were given showing their effect on the business. His subject was "Public Liability and Why It Changes."

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